

# EU Multi-Stakeholder Forum on Corporate Social Responsibility

Industrial relations & industrial change



Employment & social affairs



European Commission

# **EU Multi-Stakeholder Forum on Corporate Social Responsibility (CSR EMS Forum)**

**Employment & social affairs**

**Industrial relations and industrial change**

European Commission  
Directorate-General for Employment and Social Affairs  
Unit D.1

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You will find more information on corporate social responsibility at  
[http://europa.eu.int/comm/employment\\_social/soc-dial/csr/csr\\_index.htm](http://europa.eu.int/comm/employment_social/soc-dial/csr/csr_index.htm)

A great deal of additional information on the European Union is available on the Internet.  
It can be accessed through the Europa server (<http://europa.eu.int>).

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## FOREWORD

In its Communication '*Corporate Social Responsibility: A business contribution to Sustainable Development*'<sup>(1)</sup> of July 2002, the European Commission proposed the setting up of a EU Multi-Stakeholder Forum on Corporate Social Responsibility with the aim to promote transparency and convergence of CSR practices and instruments.

The EU CSR Forum, which is part of the Commission strategy promoting CSR, is an innovative initiative gathering at the same table representative organisations of employers, trade unions and civil society as well as other business organisations. The Commission considers that the involvement of all stakeholders is key to ensure acceptance and credibility of CSR and that the EU success in promoting CSR ultimately depends on widespread ownership of CSR principles by businesses, social partners and civil society organisations.

With the Forum, the Commission has opened a window of opportunity for businesses and their stakeholders to work together in a constructive way to address some of the challenges raised by CSR. The approach is bottom-up: the Commission is not mandating solutions but rather inviting businesses and their stakeholders to develop common answers through dialogue and partnership.

Established on 16th October 2002, the Forum has a clear mandate: before summer 2004, it will present the Commission a report about its work and conclusions. On the basis of the evaluation of the Forum's results, the Commission will decide on its future and consider if any other initiative is appropriate to further promote CSR.

So far, the EU Forum on CSR has developed in a positive way and significant progress has been achieved between the first and second wave meetings of the Round Tables. It has proved to be a useful and unique platform at EU level for dialogue between enterprises and stakeholders. It is already contributing to a certain convergence of understanding and language on CSR. We all look forward to the results of the Forum to be presented before summer 2004.

*Odile Quintin*  
*Director-General*

1 Comm 347 final, 2nd July 2002



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## 1. THE COMMISSION'S PROPOSAL FOR A MULTI-STAKEHOLDER FORUM

The European Commission recognises that the EU success in promoting CSR ultimately depends on widespread 'ownership' of the principles of CSR by businesses, social partners, civil society, and public authorities, which should be based on comprehensive partnership with representatives of society at large and that the involvement of all affected stakeholders is key to ensure acceptance and credibility of CSR and better compliance with its principles. On this basis, the Commission proposed in its Communication on *"Corporate Social Responsibility. A business contribution to sustainable development"*<sup>(2)</sup> the setting up of a EU Multi-Stakeholder Forum on CSR with the aim to promote transparency and convergence of CSR practices and instruments through:

- the exchange of experience and good practice between actors at EU level;
- bringing together existing initiatives within the EU, and seeking to establish common EU approach and guiding principles; including as a basis for dialogue in international fora and with third countries;
- identifying and exploring areas where additional action is needed at European level;

The Commission invited the CSR EMS forum to seek to agree by mid-2004 on guiding principles on the following issues:

- relationship between CSR and competitiveness (business case);
- contribution of CSR to sustainable development;
- SME-specific aspects;
- Effectiveness and credibility of codes of conducts;
- Development of commonly agreed guidelines and criteria for CSR measurement, reporting and assurance;
- Definition of commonly agreed guidelines for labelling schemes;
- Disclosure on pension and retail funds SRI policies.

The CSR EMS Forum was invited to present before summer 2004 a report about its work to the Commission, which should then make an evaluation of its results, decide on its future and consider if any other initiative, involving in particular enterprises and the other stakeholders, would be appropriate to further promote CSR.

<sup>(2)</sup> Comm 347 final, 2nd July 2002



## 2. ABOUT THE FORUM

The European Multi-Stakeholder Forum on Corporate Social Responsibility (CSR EMS Forum) was launched on 16 October 2002. On this occasion, the **Forum composition, objectives and operational aspects** were adopted<sup>(3)</sup>.

### ✿ What are the objectives?

With the overall aim to foster corporate social responsibility, the European Multi-Stakeholder Forum on CSR aims to promote innovation, transparency and convergence of CSR practices and instruments through:

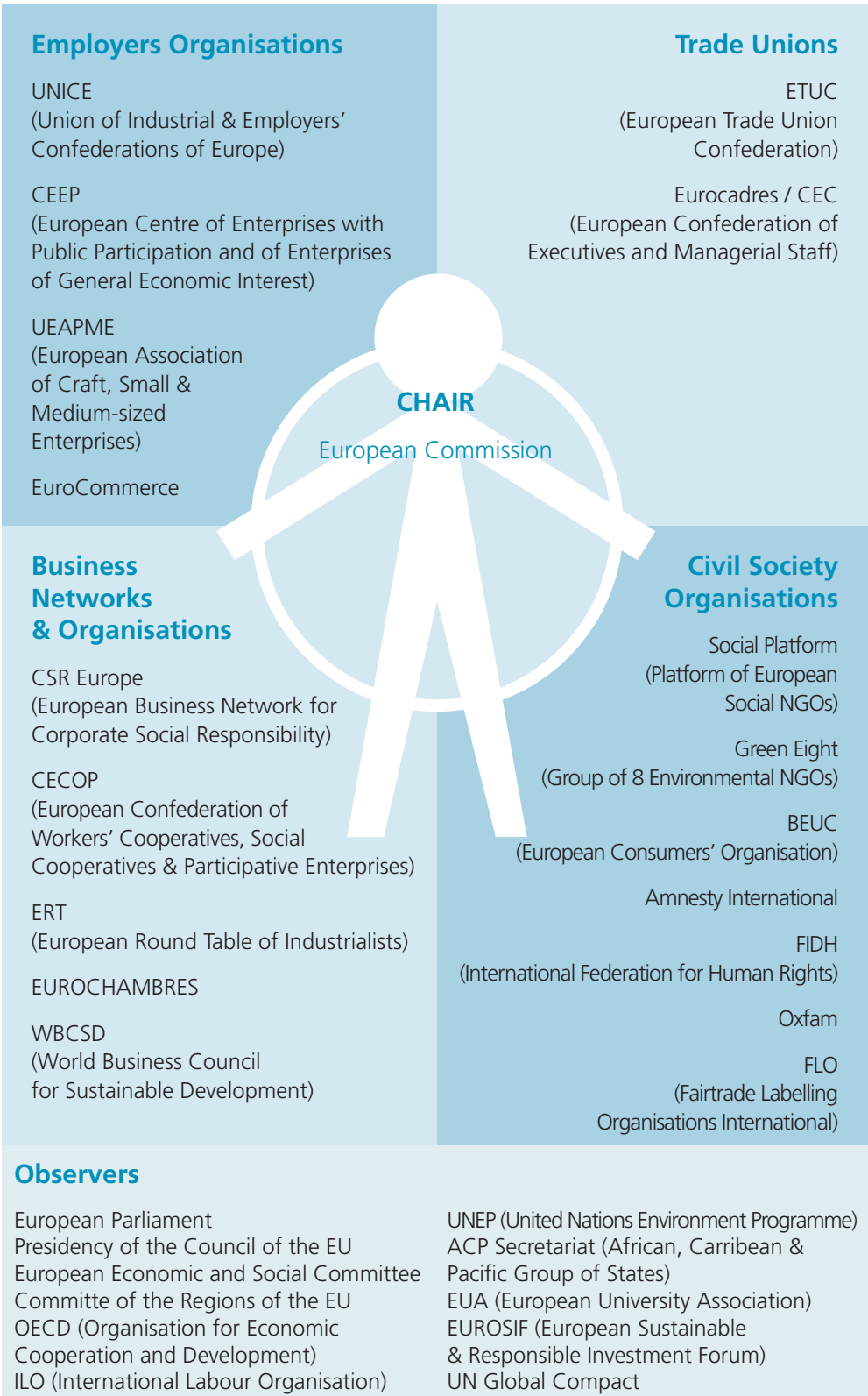
- *improving knowledge* on the relationship between CSR and sustainable development (including its impact on competitiveness, social cohesion and environmental protection) by facilitating the exchange of experience and good practices and bringing together existing CSR instruments and initiatives, with a special emphasis on SME specific aspects;
- *exploring the appropriateness of establishing common guiding principles* for CSR practices and instruments, taking into account existing EU initiatives and legislation and internationally agreed instruments such as OECD Guidelines for multinational enterprises, Council of Europe Social Charter, ILO core labour conventions and the International Bill of Human Rights.

The CSR Forum will present before summer 2004 a **report** about its work and conclusions to the European Commission.

### ✿ Who is participating?

The EU CSR Forum, chaired by the European Commission, consists of EU-level representative organisations of employers, trade unions and civil society as well as other business organisations. A balanced representation of these different stakeholders is ensured. Other EU institutions, as well as other organisations active in the field of CSR are invited to attend with observer status.

<sup>(3)</sup> See full text on Forum Objectives, Composition and Operational Aspects adopted by Forum members on [http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20Rules.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20Rules.htm)



## ❁ How does the Forum work?

The Forum meets at:

- high level – at least once a year – to agree on objectives, composition and operational aspects of the Forum, and to assess progress,
- and at the level of theme-based round tables on:
  - “improving knowledge about CSR and facilitating the exchange of experience and good practice”;
  - “fostering CSR among SMEs”;
  - “diversity, convergence and transparency of CSR practices and tools”;
  - “development aspects of CSR”.

Moreover, competitiveness, social cohesion, environmental protection, the consumer dimension and the international dimension, including human rights, democratisation and conflict prevention aspects, are taken into account, as cross-cutting issues, by all the Round Tables.

Meetings of the EU CSR Forum are convened by the Commission in agreement with the Coordination Committee (see below). All documents (agenda, documents tabled and results) of the EU CSR Forum and Round Tables meetings are made public and posted on the Europa website.<sup>(4)</sup>

The activities of the Forum are supported from within the existing financial, human and administrative resources of the European Commission. The Commission offers reimbursement for travel and subsistence expenses to the CSR EMS Forum and Round Tables participants, in accordance with the administrative regulations applicable.

## ❁ What is the role of the Co-ordination Committee?

A **Co-ordination Committee** is responsible for the preparation of the Forum high level and Round Tables meetings. It is composed of representatives from the Commission and from:

- two representatives nominated by the European Trade Union Confederation (ETUC<sup>(5)</sup>) co-ordinating the point of view of trade unions,
- two representatives nominated by the Union of Industrial and Employers’ Confederations of Europe (UNICE<sup>(6)</sup>), co-ordinating the point of view of employers,
- two representatives nominated by the European Business Network for Corporate Social Responsibility (CSR Europe<sup>(7)</sup>) co-ordinating the point of view of business organisations active in the field of CSR,
- two representatives nominated by the Green Eight<sup>(8)</sup> and the Platform of European Social NGOs<sup>(9)</sup>, co-ordinating the point of view of civil society organisations.

<sup>(4)</sup> [http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/csr%20ems%20forum.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/csr%20ems%20forum.htm)

<sup>(5)</sup> [www.etuc.org](http://www.etuc.org)

<sup>(6)</sup> [www.unice.org](http://www.unice.org)

<sup>(7)</sup> [www.csreurope.org](http://www.csreurope.org)

<sup>(8)</sup> Group of 8 Environmental NGOs: EEB (European Environmental Bureau), WWF (World Wildlife Fund), FoE (Friends of the Earth Europe), Greenpeace, Birdlife International, T&E (European Federation for Transport and Environment) Friends of Nature International, CAN-Europe

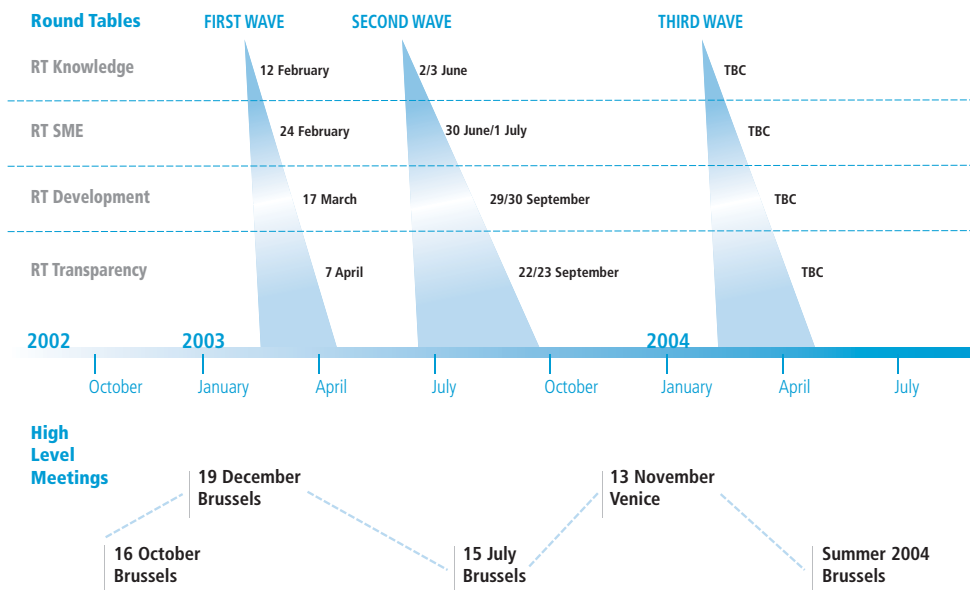
<sup>(9)</sup> [www.socialplatform.org](http://www.socialplatform.org)

### 3. ABOUT THE FORUM ROUND TABLES

At its meeting on 19 December 2002, the Forum endorsed its **work programme**, including a *roadmap*, a *format* and set of *basic rules* for the round table meetings as well as a description of the role of round table *Rapporteurs*.

The Round Tables (RT) meet in **3 parallel waves**, each RT holding at least three meetings. After each wave of meetings, a high level meeting of the Forum reviews progress and seek to improve the process.

The first Round table meetings were launched in February 2003.



<b>RT Knowledge:</b>	<i>"Improving knowledge about CSR and facilitating the exchange of experience and good practice Round Table"</i>
<b>RT SME:</b>	<i>"Fostering CSR among SMEs"</i>
<b>RT Transparency:</b>	<i>"Diversity, convergence and transparency of CSR practices and tools"</i>
<b>RT Development:</b>	<i>"Development aspects of CSR"</i>

A major aim of the Round Tables is to show, share and learn from the experiences of all parties, therefore improving mutual knowledge and identifying valuable lessons on both obstacles and solutions. Presentations involving stakeholder partnership experiences of CSR are actively encouraged throughout the three waves of Round Tables, as they can demonstrate experiences from the widest possible range of perspectives and countries.

The discussions aim to encourage informed, open-minded stakeholders to express themselves. The general aim is to highlight where consensus can be found and report where differences remain.

To ensure active, efficient and constructive engagement of a wide range of stakeholders, whilst enabling a smooth process, 'Right vs. Wrong' debates are avoided. 'Name and Shame' and 'Name and Fame' discussions are not encouraged, and they are not reported in the minutes of the meetings.

In addition to the Forum members, other stakeholders and experts are invited, when appropriate, to participate in or to facilitate the work of the Round Tables, including through the use of adequate electronic means. Participation from representatives of developing countries is also ensured, when appropriate.

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At its meeting on 19 December 2002, the Forum also discussed indicative lists of subthemes proposed by the members organisations and recognised the importance of the following subthemes:

#### **RT "IMPROVING KNOWLEDGE ABOUT CSR AND FACILITATING THE EXCHANGE OF EXPERIENCE AND GOOD PRACTICE"**

- Impact of CSR on business
- Processes, incentives & tools to stimulate dissemination of knowledge, innovation, uptake of CSR
- Integration of CSR in business strategies, structures & processes
- Integration of CSR in education & training

#### **RT "FOSTERING CSR AMONG SMES"**

- CSR business case for SME
- Awareness raising, dissemination of good practices, incentives for SME further uptake of CSR
- Co-operation between large & SME

#### **RT "DIVERSITY, CONVERGENCE AND TRANSPARENCY OF CSR PRACTICES AND TOOLS"**

- Credibility and transparency of CSR practices and tools (codes of conduct, management systems, reporting, labelling, SRI)
- Diversity versus convergence

#### **RT "CSR DEVELOPMENT ASPECTS"**

- CSR and globalisation
- Ethical and Fair trade
- Poverty alleviation
- Financial Transparency

## ✿ Who are the Round Table Rapporteurs?

A Rapporteur is appointed for each Round Table to support the Co-ordination Committee in preparing the Round Table meetings and to assist the work of the Round Table by providing expertise, when appropriate.

Amongst the Rapporteur's tasks are: the preparation and presentation of the draft minutes of the Round Table meetings (which include an analytical summary of the discussions and main positions expressed; an identification of the points on which there was agreement/disagreement between stakeholders; proposals concerning the issues to be discussed further, and the approach to be considered in future meetings); the preparation of a draft summary report about the work of the Round Table, which is submitted to the Round Table members.

The Round Table members are invited to approve these texts (the meetings' minutes and the draft summary report), after consultation with the co-ordination committee.

## ✿ Some key data on the Forum's Round Tables

<b>1. Round Table on improving knowledge about CSR and facilitating the exchange of experience and good practice.</b>	
<b>Chair:</b>	Pedro Ortun, Director, DG Enterprise
<b>Rapporteur:</b>	Lutgart Van den Berge, Vlerick Leuven Gent Management School, Belgium
<b>2. Round Table on fostering CSR among SMEs</b>	
<b>Chair:</b>	Timo Summa, Director, DG Enterprise
<b>Rapporteur:</b>	David Grayson, Business in the Community, UK
<b>3. Round Table on development aspects of CSR</b>	
<b>Chair:</b>	Lieve Franssen, Head of Unit, DG Development Philippe Meyer, Head of unit, DG Trade
<b>Rapporteur:</b>	Anne Peeters, Centre d'Etude et d'Action pour la Cohésion Sociale, Belgium
<b>4. RT on diversity, convergence and transparency of CSR practices and tools</b>	
<b>Chair:</b>	Bernhard Jansen, Director, DG Employment & Social Affairs
<b>Rapporteur:</b>	Penny Walker, independent consultant, UK
<b>Agenda, list of participants, presentations and minutes available on:</b> <a href="http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR_Forum_roundtables_meetings.htm">http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR_Forum_roundtables_meetings.htm</a>	



## 4. THE FORUM LAUNCH AND FIRST PROGRESS REVIEW<sup>(10)</sup>

### ✿ 16 October 2002: the Forum is launched...

*Corporate Social Responsibility<sup>(11)</sup> (CSR) can make a contribution to the strategic goal set by the Lisbon Summit of March 2000, and to the European Strategy for Sustainable Development<sup>(12)</sup>, as well as to promoting core labour standards and improving social and environmental governance in the context of globalisation. Preamble to Forum Objectives, Composition & Operational Aspects adopted at Launch on 16 October 2002.*

The European Multi-Stakeholder Forum on CSR was established on 16 October 2002 by Commissioners Anna Diamantopoulou and Erkki Liikanen. Amongst the participants were the main representative organisations of the European business community, trade unions and civil society, while representatives of other EU institutions, as well as UN bodies and other organisations attended as observers.

The **Forum composition and objectives** were adopted at this high level meeting, allowing the process to commence.

#### Commissioner Anna Diamantopoulou Opening Speech at launch of the EU CSR Forum

#### “Making CSR a win-win strategy for business and all stakeholders” (extracts)

In the last couple of years, CSR has become a priority issue on the EU agenda. Our commitment to CSR was reinforced at the **Lisbon Summit** in March 2000. When EU leaders made a special appeal to companies’ sense of social responsibility. So that, through responsible behaviour, businesses could contribute to helping the EU achieve **its new strategic goal** of becoming the most inclusive and competitive society in the world. Developing policies in which economic growth, competitiveness, social justice and – since the Gothenburg Summit - environment protection and sustainable development, are mutually reinforcing. But corporate social responsibility has an equally important role to play in harnessing the potential of **globalisation** and in developing **stronger global governance**.

Today, globalisation raises new challenges. How to develop international trading relations that support the UN’s Millennium goals. How to reduce poverty, and ensure greater environmental security. In that context, the promotion of CSR is complementary to our policies and commitments in support of Sustainable Development, notably in the follow-up to the Johannesburg Summit. As well as in relation to the Doha Development Agenda, and our commitment to reinforce the global system of social governance.

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<sup>(10)</sup> The text of the minutes of high level meetings can be found in full on:  
[http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20plenary.htm](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20plenary.htm)

<sup>(11)</sup> The European Commission has defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”

<sup>(12)</sup> COM(2001)264

Within Europe, we need to build the case for corporate social responsibility on sound economic and social arguments, and not just moral pressure. Demonstrating that responsible businesses work best – for themselves, as well as society at large. Recognising that responsible businesses attract investment funds, and a quality workforce, more easily than others. Recognising that ‘responsible companies will be tomorrow’s profitable companies’, to quote President Prodi.

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**Dialogue** and **partnership** are key to promoting CSR, and to developing a model of Social Responsibility founded on European values. Taking account of the interests of both companies and other stakeholders. The main message that came out of our Green Paper consultation process was that a wide range of actors wanted to be involved, and wanted to see the process lead to concrete and practical results. Recognising that, until now, CSR has been largely business-led. And that one important role for the Forum was to ensure that CSR becomes both business *and* stakeholder-led. Opening the discussion to all people, and all groups concerned. Employers, trade unions, consumers, investors. Finding common solutions and agreements that respond to their diverse needs.

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We all know that CSR cannot be imposed, or directed from above. But the voluntary nature of CSR does not imply that it should be unilateral. What is at stake is the credibility of the process. Which is why we believe that it is necessary to work together, through an open and constructive dialogue, involving all actors of social responsibility, to further develop CSR. And to improve the quality, credibility and effectiveness of CSR tools. Hence the main tasks of the Forum are to facilitate the exchange of experiences, to improve knowledge on CSR, and to promote convergence and transparency concerning CSR instruments and practices. Be they codes of conduct, social accounting, labels, social partners agreements and so on. On this last point, the Commission is looking for a clear reference framework from the Forum. With the accent on innovation, experimentation and transparency. So that good practice solutions can be quickly and widely spread.

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You have a clear and well-defined mandate – to exchange good CSR practices, and to agree on common guiding principles. With a clear first deadline of mid-2004. At which time, the Commission will assess its results and decide on its follow-up, and any other initiatives requires to promote CSR.

I would underline just two points to conclude. Firstly, that while the Commission has no intention of pre-empting the Forum’s discussions, it has not given up its responsibilities concerning CSR either.

I said it in the beginning: CSR can play a fundamental role in achieving EU-wide objectives of growth, competitiveness, better governance, and sustainable development. And there are clear Internal Market aspects too, which call for greater convergence, transparency and credibility of CSR instruments, such as labelling, reporting schemes or codes of conduct. Hence we reserve our right of initiative wherever, and whenever, we feel it is appropriate.

## The Point of View of Forum Members<sup>(13)</sup>

**Employer organisations** stated their committed to promote responsible business conduct throughout Europe and the world. They generally welcomed the creation of the Forum as a place for debate about various CSR issues and for exchange of experiences. It was underlined that large as well as small companies play an important role in contributing to sustainable development and employer organisations can provide many examples to inform the debate. Many small and medium enterprises (SMEs) are practising CSR without labelling it as such and the Forum will also provide an opportunity to highlight SMEs' existing engagement.

Moreover, employer organisations stressed that any debate on CSR must take account of the fact that CSR is voluntary and business-driven and that there is no 'one size fits all' approach to it. It was furthermore highlighted that CSR is a concept encompassing the three pillars of sustainability relating to economic, social as well as environmental considerations and an issue that needs to be seen in a global rather than a purely European context. Attention was also drawn to the need to delineate business from government responsibilities. Employer organisations support activities within the Forum which will contribute to raising the level of understanding of CSR, raising the awareness of existing initiatives and fostering the exchange of experience.

With regard to the operational aspects of the Forum and the thematic Round Tables, it was stressed that a balanced composition and appropriate involvement of CSR practitioners was key. Appropriate time needs to be given to designing the follow-up structure and preparing future work, in order to get the process off the right footing.

**Business networks and organisations** underlined that CSR is a vital component of business competitiveness. They stressed the importance of an open dialogue between the different parties in the Forum, in what will be a continuous learning process to better understand the opportunities and challenges surrounding CSR. By fostering such a dialogue, the Forum can make a significant contribution to European competitiveness and the achievement of the Lisbon goal. They expressed their readiness to share a wealth of valuable experience and concrete examples on CSR, in order to make progress in the debate and identify what can be effectively and realistically done together. Finally, they stressed the importance of taking the necessary time to further discuss the structures and rules of procedures of the forum until all the Forum participants feel at ease with the process, and underlined the need to define a clear roadmap for the Round Tables.

**Trade unions** expressed their willingness to actively participate in the Forum, which should help develop a European Framework on CSR. There is a need for a reference framework on CSR, adapted to the context, size, sector of the company, and to be based on the European social model. Trade unions are open to partnerships with NGOs to better tackle complex societal problems and believe that public authorities should act as more than just facilitators, as they need to guarantee the progress of all companies in this field, and not leave CSR for a small group of "best-in-the-class" companies.

CSR is to be understood in the broader sense, integrating social, environmental and societal aspects, ensuring that companies act responsibly not only towards their workforce but also to citizens at large and throughout the whole supply chain. Assessing the responsible conduct of a company is a dynamic process, and should not be limited to a snapshot evaluation in a given period of time. Moreover, CSR is a collective responsibility and begins with sound industrial relations.

<sup>(13)</sup> Extract from the minutes of Forum's launch, 16 October 2002. For specific organisation's full position papers, see Annex I.

**Non-Governmental-Organisations** (NGOs) welcomed the acknowledgement within the Forum composition of the contribution which can be made by social, environmental, human rights, development, and consumer civil society organisations to the development of CSR.

*Social NGOs* insisted that CSR must not replace regulation but rather be seen as complementary initiatives to help promote a more inclusive workplace and society. CSR is a global issue: it concerns all activities of the company throughout the whole supply chain, both inside and outside Europe. The Forum must make strong recommendations on how to establish a convergence of CSR standards, in order to promote credible, verifiable systems of reporting and auditing and establish clear guidelines which will recognise the most advanced companies, and encourage the rest to meet their standards and go beyond.

*Environmental NGOs* underlined that the voluntary commitment to CSR is not sufficient to meet the scale of the industrial, economic, and social transformation foreseen in the challenge of sustainable development. Regulation will be needed to help correct market deficiencies, and ecological services, which are essential for life on the planet and have so far been treated as free goods, need to start being paid for. Corporate environmental responsibility in the global context post-Johannesburg is becoming increasingly important.

*Consumers organisations* indicated that consumers lack fundamental information to make their choices. There is a need to increase transparency in the way goods and services are produced in order to allow dialogue, comparable testing and consumer guidance. Governments have a crucial role to play in this regard.

*Human Rights & Development organisations* stressed the importance of the international perspective and the focus on enforcement and implementation of already existing standards. At global level there are few safeguards against abuses in social and environmental issues so there is an urgent need to shift from the concept of companies responsibility towards that of accountability.

## ✿ 15 July 2003: the first progress review

The EU Multi-Stakeholder Forum on CSR met at high level again on 15 July 2003 to review the progress made in the Round table meetings and to decide about the next steps to take.

There was a broad consensus that, in spite of some difficulties, the EU Multi-Stakeholder Forum on CSR has developed in a positive way and there has been a significant improvement in terms of quality between the first and second wave meetings of the Round Tables. It has proved to be a useful and unique platform at EU level for dialogue between enterprises and stakeholders. It is contributing to a certain convergence of understanding and language on CSR.

The Chair concluded that the High-Level meeting of the Forum in Venice on 13 November 2003 should aim to agree on priorities and a structure for the third wave of Round Table meetings and a 'skeleton' for the final report of the Forum which will be presented to the Commission in mid-2004. This report should address both objectives of the Forum and include proposals for action.

## Review of progress of Round Tables' first meetings <sup>(14)</sup>

The first meeting of the **Round table 'Improving Knowledge about CSR and facilitating the exchange of experience and good practice'** (Knowledge Round table) focused on identifying CSR-processes which can help companies to manage complex situations as well as concentrating on the mainstreaming of these processes into and among businesses, rather than on the definition of the concept of CSR.

In its second meeting, the Round table began identifying the determining factors of CSR: critical success factors, barriers and actions to overcome them. The third meeting could deepen and conclude their consideration.

Participants of the Round table **'Fostering CSR among SMEs'** (SME Round table) stressed the need to address CSR from the perspective of a small company owner/manager and to take into account the diversity of the SME sector. At its second meeting, the Round table reached preliminary conclusions regarding drivers, obstacles and success factors and discussed a possible outline for its draft final report. The third meeting could focus on channels for promoting CSR among SMEs and formulate concrete recommendations for action.

A number of key issues were raised in the first meeting **'Diversity, convergence and transparency of CSR practices and tools'** (Transparency Round table) which will be addressed in depth in its further meetings:

- How the credibility and transparency of CSR tools and practices can be ensured;
- How to encourage and empower different players involved, including both 'leaders' and 'followers' to mainstream good practice;
- How to balance convergence and diversity;
- How CSR tools and practices are bringing about change;
- How to develop independent and robust assurance and verification procedures.

The cases presented in the first meeting of the **'Development aspects of CSR'** (Development Round table) focused on responsible business contribution to poverty reduction in developing countries. The Round Table conclusions highlighted the necessity of better defining the relationship between a regulatory and a voluntary approach, the necessity of tackling poverty reduction with a strong Multi-Stakeholder approach and of effective public-private partnerships. At its second meeting, the Development Round table will focus on the promotion of Core Labour Standards in the textile sector and on financial transparency in the oil and mining sector in developing countries.

<sup>(14)</sup> Extract from the minutes of high level meeting of 15 July 2003

## The Point of View of Forum Members <sup>(15)</sup>

CSR Europe, on behalf of business networks active in the field of CSR, stressed the link of the Forum process with the European strategic goal for 2010. It pointed out that work over the past months has created a foundation, with the Commission acting as a 'bringer-together'. CSR Europe proposed that the November plenary meeting in Venice should discuss an interim synthesis report. It should also agree on a 'skeleton' of the final report drafted by the Forum. The third wave of meetings should discuss and build consensus on a roadmap for further initiatives. CSR Europe called for a more pro-active chair by the Commission in its facilitating role in the meetings of the Forum and the Round Tables.

ETUC, on behalf of trade unions, emphasised the importance of 'engagement'. Firstly, this would mean the challenge to involve more enterprises. It welcomed that presentations in the second wave were broader than those of the first wave and involve more actors. Participation of a broad range of actors would improve the outcomes of the meetings. Worker's aspects and the relationship of CSR with the social dialogue need to be addressed. Process and documents should not only look at positive cases, but should also address and name the difficult ones.

UNICE, on behalf of employers, underlined the voluntary character of CSR, that there is no 'one-size-fits-all' approach and that the successful promotion of CSR must be built on a bottom-up approach. Expectations with regard to the Forum should be realistic. UNICE appreciates the Forum as a learning process. It should continue to focus on analysing drivers, success factors, obstacles and challenges for CSR and draw lessons from concrete experiences. It is also necessary that the process helps to develop a more common understanding of CSR and the boundaries, and of roles and responsibilities of the different players. 'Naming and shaming' should be avoided.

Civil society organisations distinguished between enterprises that are leaders in CSR, those that use it for public relations purposes and those that they believe 'don't care'. The final report by the Forum should address all three types. The Commission was asked to provide more information about existing relevant initiatives and legislation at Community level.

(15) Ibidem


**ANNEX**

## FORUM MEMBERS STATEMENTS AT FIRST HIGH LEVEL MEETING, 16 OCTOBER 2002

<b>UNICE</b>	<i>Union of Industrial and Employers' Confederations of Europe</i>
<b>CEEP</b>	<i>European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest</i>
<b>EuroCommerce</b>	<i>The Retail, Wholesale and International Trade Representation to the EU</i>
<b>ETUC</b>	<i>European Trade Union Confederation</i>
<b>CSR Europe</b>	<i>European Business Network for Corporate Social Responsibility</i>
<b>ERT</b>	<i>European Round Table of Industrialists</i>
<b>Eurochambres</b>	<i>Association of European Chambers of Commerce and Industry</i>
<b>Social Platform</b>	<i>Platform of European Social NGOs</i>
<b>Green Eight / WWF</b>	<i>World Wildlife Fund</i>
<b>Green Eight / Friends of the Earth International</b>	
<b>Beuc</b>	<i>European Consumers' Organisation</i>
<b>FLO</b>	<i>Fairtrade Labelling Organisations International</i>

## UNICE (Union of Industrial and Employers' Confederations of Europe) Address by Philippe de Buck, Secretary General

UNICE believes that business, large or small, has an important role to play in contributing to sustainable economic, environmental and social development in the societies in which it operates.

UNICE therefore welcomes the debate on corporate social responsibility. UNICE and its member federations are committed to play an active role in this debate at various levels and actively to promote responsible business conduct throughout Europe and the world.

For UNICE, recognition of the following fundamental principles is however essential in the European debate on CSR:

- **CSR is voluntary and business-driven.**
- **There is no "one-size-fits-all" approach to CSR.** In order to be successful, CSR policies must be developed from within the organisation and be adapted to its specific characteristics and circumstances.
- **CSR is inextricably linked to the three pillars of sustainability relating to economic, social and environmental considerations.** The multi-disciplinary character of responsible business conduct and its potential for improving companies' total performance make CSR a horizontal issue, which should consequently also be explored horizontally at Commission level and be seen in the light of the Lisbon competitiveness agenda.
- **Moreover, with companies operating throughout the world, CSR needs to be seen in a global rather than a purely European context.**
- **And finally, CSR is not about shifting public responsibilities on to private companies.**

CSR is not about avoiding or substituting legislation, as some fear. CSR is about companies taking up their responsibility to contribute to sustainable development over and above the respect of legislation and internationally agreed standards.

At the same time, any debate on CSR has to respect the distribution of roles between governments and companies: it should not overlook the responsibilities of governments and multilateral organisations themselves when it comes to the promotion of democracy and human rights and the development of adequate legal, economic and social frameworks.

UNICE will support the Commission in those activities promoting CSR at European level, which are developed along the line of these principles. Such activities should focus on motivating businesses to develop their own tailor-made CSR policies and fostering innovation in the field of CSR.

In the light of the above, UNICE welcomes the creation of a European Multi-Stakeholder Forum on CSR. The creation of a place for an open debate about various CSR issues and for exchange of experiences is an appropriate means to bring the promotion of CSR forward.

UNICE will fully support activities at European level that will bring major stakeholders together which focus on:

1. raising the level of understanding of CSR by fostering dialogue between the business community, trade unions, NGOs and other relevant players;

2. raising awareness about the variety of existing, widely recognised CSR instruments and initiatives;
3. fostering exchanges of experiences and exchanges about CSR practices and instruments, thereby enabling a constructive dialogue about concrete cases and issues.

It would however be inappropriate to conceive the forum as a place where the participants are expected to negotiate or define guidelines or guiding principles. Businesses should be encouraged and not hindered in their attempts to find dynamic and innovative solutions.

Challenges facing business such as calls for convergence, transparency and accountability of their CSR practices will be taken up by business itself. Whereas it is useful to have a debate about these challenges, they will and have to be addressed through market-driven responses. There is no room at this stage for prescriptive approaches.

A balanced composition of the Forum and particularly its Round Tables is an important factor for the Forum's success. Ensuring an appropriate involvement of employer and business organisations is crucial, as is the involvement of "CSR practitioners" (companies). It would be a fundamental error to disregard the fact that CSR is essentially a company management issue, and therefore companies have a main role to play in informing the debate.

UNICE welcomes the creation of four Round Tables around the proposed broad themes. For practical and organisational reasons, the Round Tables need to be launched successively and in a balanced way. We look forward to discussions in the coordination committee to organise the Forum in the most logical, effective and transparent way.

Appropriate time needs to be given to designing the follow-up structure and preparing future work, in order to get the process off on the right footing and establish the Forum as a central place for debating CSR and taking the issue forward at EU level.

#### CEEP

(European Centre of Enterprises with Public Participation  
and of Enterprises of General Economic Interest)  
Address by Alain Wolf, Adviser to the Presidency

En tant qu'association d'employeurs, le CEEP partage le point de vue déjà exprimé que ces démarches gardent un caractère volontaire, qu'il n'y a sans doute pas de solution unique passe partout et figée, et donc que la recherche d'harmonisation des méthodes ou des instruments est illusoire. La position spécifique que le CEEP souhaite exprimer ne porte donc pas sur ces grandes options là ; elle consiste à faire valoir une vision et une opinion plus en amont, plus globale.

Ayant vocation à représenter des entreprises et organisations de services économiques d'intérêt général, le CEEP souligne qu'il se sent au cœur de la problématique de la responsabilité sociétale des entreprises.

En effet, dans un environnement de compétition économique, les 3 pôles cités dans les documents, que sont l'Économique, le Social et l'Environnement, habituellement perçus comme concurrents ou contradictoires, en tous cas sur le court terme, doivent en réalité être compatibles et convergents sur le moyen et le long terme, dès lors que la finalité relève d'un intérêt général pour la société. L'optimum du « triptyque : Économique/ Social/ Environnement » à long terme n'est pas le résultat des optima à court terme de chacun des pôles, même corrigé par les rapports de force entre les acteurs. Cet équilibre entre ces 3 piliers peut illustrer l'intérêt général.

Le CEEP partage avec ses membres cette vision, il s'en fait le porte parole. Il accueille donc avec beaucoup d'intérêt cette démarche transverse de la Commission. L'enjeu en est essentiel, mais c'est une problématique qui ne peut pas se limiter à l'espace de la seule Europe, même élargie.

Les objectifs poursuivis, et auxquels nous adhérons, ne pourront être atteints ni simplement par le partage et l'adhésion intellectuelle à une thèse, ni par une méthodologie ou une instrumentation harmonisée. Ce Forum peut contribuer à développer la prise de conscience et l'adhésion aux finalités. En particulier les échanges d'informations et de bonnes pratiques, la diffusion de ces exemples, et le lieu de débats qu'il constitue, sont de nature à contribuer à cet objectif. A ce sujet, au CEEP, nous sommes en cours de recueil de pratiques susceptibles d'alimenter cette base d'échange, puis nous réaliserons avec le soutien de la commission, un séminaire d'analyse et de débats sur ces pratiques.

### EuroCommerce Address by Xavier R. Durieu, Secretary General

Ladies and Gentlemen,

EuroCommerce particularly welcomes the opening remarks of Commissioners Diamantopoulou and Liikanen and the Commission's initiative to launch a Multi-Stakeholder platform with a view to improving the knowledge about CSR practices and globally to facilitate exchange and dissemination of best practices.

In our view, the voluntary approach to CSR practices will ensure its successful take-up and continuous development, enabling all actors involved to identify and adapt their own solutions to their own business objectives, depending on their type of activity and size of company.

In order to be successful, CSR practices need to be business driven, part of a business strategy and culture. To this end, this approach should be based on the following principles:

1. Striking the right balance between the social, environmental and economic pillars is critical.
2. Europe is in a competitive world-wide business environment.
3. Innovation and creativity are the leading forces of the development of any CSR initiative.
4. Public authorities have a great role to play in encouraging the take up of CSR practices through awareness raising campaigns, promoting and developing exchange of best practices, facilitating networking of companies on CSR issues, possibly through financial support. They should let competition act as an incentive for businesses to further engage in CSR practices.
5. Consumers have a major role to play in supporting CSR actions when making their purchasing decisions. Gaining trust from customers or clients is the goodwill of any company.

Tackled in this way, this voluntary approach will, thanks to our unique position of direct interface with consumers, give maximum impact to the CSR initiatives of our millions of companies, most of which are SMEs. Furthermore, it will also amplify the commitment to educate consumers and help them make responsible choices.

To this end, we are committed to:

- Promote the move towards sustainable development by actively disseminating information on CSR and good practices.
- And to serve as a platform of exchange of best practices and reflect on the means to increase the competence of our member organisations and companies of all sizes in the field of CSR in the 25 European countries EuroCommerce represents and involving Candidate Countries from the early stage as part of the modernizing process of their industry.

A final remark:

We welcome the launch of the platform today and the document setting out the objectives, composition and operational aspects of this platform, which we believe reflects a fair balance of the views expressed by the stakeholders. However, a lot still remains to be done for the platform to work effectively. As underlined by Mr Davignon, a clear roadmap and time-schedule still need to be defined for the round tables defining their organisation, coordination of their sequential activities and expected results before they effectively start.

To conclude, our wish is that:

- the Forum produces concrete results enabling organisations and businesses to adopt a CSR approach if they so wish and to develop their own tools for the benefit of society
- by 2004 there is a list of good practices that is representative, varied and as comprehensive as possible, presented in a readily usable way by other companies
- training tools or communication means on the existing CSR techniques are made available for as many people as possible.

Thank you very much for your attention.

ETUC (European Trade Union Confederation)  
Address by Jean Lapeyre, deputy Secretary General

Nous souhaitons manifester notre volonté d'engagement par rapport à un Forum que nous souhaitons utile et donc capable de dégager les éléments d'un cadre de référence européen.

3 éléments sont à souligner dans notre engagement sur la RSE:

1. la démarche
2. les acteurs
3. les outils

#### 1. Démarche

1. *contenu* large qui concerne à la fois les travailleurs et les citoyens. Une approche sociétale qui intègre les différents aspects (social, environnemental).

2. *espace géographique*: la RSE ne peut pas être considérée enfermée entre les murs de l'entreprise, mais elle doit intégrer les éléments périphériques, en particulier les problèmes de sous-traitance (donc ne pas reporter les contraintes sociales sur les entreprises sous-traitantes).

La RSE n'est pas enfermée en Europe, nous ne devons pas avoir une démarche égocentrique de la RSE. Ce que nous faisons au niveau européen est un élément essentiel d'une re-régulation mondiale, d'un meilleur partage de la justice sociale dans l'ensemble de cette évolution de la globalisation.

3. *Durée*: la RSE n'est pas à être jugée en instantanée, ce n'est pas une photographie. La RSE doit être jugée dans une dynamique. C'est pour cela qu'il est important de mettre en place des outils capables d'évaluer cette dynamique et non pas de faire une photographie à un moment donné de cette RSE.

## 2. Acteurs

1. *L'entreprise* n'est pas un être virtuel, la RSE ne se réduit pas à la morale d'un PDG – surtout si celui considère qu'il a la maîtrise exclusive de la RSE.

L'entreprise comporte différents acteurs, la démarche doit donc être collective, et non pas de l'exclusivité de la direction entreprise. La RSE doit aussi intégrer – sur des sujets qui les concernent – les autres acteurs à l'extérieur de l'entreprise.

2. *Syndicats*: une partie des syndicats aborde ce problème avec l'appréhension que la RSE soit utilisée comme un outil pour affaiblir les relations industrielles et la négociation, qui ont été depuis plus de 100 ans les facteurs déterminants du progrès social dans l'entreprise. Rien n'a jamais été accordé aux travailleurs – quelque soit la morale des employeurs – de manière spontanée. Une entreprise qui ne respecte pas ses travailleurs et les syndicats est une entreprise qui ne respecte rien. La RSE commence donc par la qualité des relations sociales et de la négociation. La capacité d'engagement sur un contrat est fondamental pour ancrer la responsabilité sociale des entreprises.

3. *ONGs*: nous sommes tout à fait partisans du développement des partenariats pour développer les synergies et mieux prendre en compte les aspects sociétaux de cette responsabilité sociale.

4. *Pouvoirs publics*: il ne faudrait surtout pas que les pouvoirs publics cèdent à la résignation quant à leur propre responsabilité. Les pouvoirs publics doivent être plus qu'un facilitateur. Ils doivent accompagner les progrès, les étendre, les garantir. Nous ne pouvons pas nous contenter d'avoir une responsabilité sociale qui ne saurait constituer que d'une avant-garde d'entreprises premières de la classe qui ne contribuerait pas à tirer vers le haut l'ensemble des entreprises de nos pays européens.

## 3. Outils

1. *Outils internes*: conventions collectives en particulier.

2. *Outils externes qui se développent*: outils d'évaluation et de notation sociale. Dans ce cadre là il y a besoin d'un cadre référence souple. Nous sommes pas dans ce domaine-là pour le prêt-à-porter, nous pensons qu'il faut, à partir de critères, faire du sur mesure en fonction des secteurs, des entreprises, des contextes. Ce qui est sûr c'est qu'un cadre de référence est nécessaire en Europe, lié au modèle social européen. Nous ne pouvons pas laisser la culture américaine se développer de manière insidieuse à travers la RSE. N'oublions pas quand même que ce concept vient des États Unis, un pays peu syndicalisé, un pays où les entreprises peuvent payer les entreprises (union-busters) pour chasser les syndicalistes de l'entreprise. Donc nous avons besoin d'un cadre européen pour faire référence à la responsabilité sociale.

Vous pouvez compter sur nous pour que ce Forum soit plus qu'un lieu d'échange, pour que ce Forum soit aussi en lieu productif, en tout cas producteur d'un cadre européen.

## CSR Europe Address by Etienne Davignon, President

Je veux tout d'abord exprimer au nom de CSR Europe notre gratitude et notre plaisir. Gratitude parce que des réunions comme celle-ci ne naissent pas par l'action du Saint Esprit, mais parce que quelqu'un les convoque, et la Commission a pris la responsabilité de les convoquer avant d'être sûre que tout le monde soit d'accord sur ce qui allait se passer. Je suis donc reconnaissant.

Beaucoup de plaisir parce que en ce qui nous concerne nous avons eu l'occasion dans plusieurs réunions, certaines que nous avons organisées, d'autres auxquelles on nous avait invités, de rencontrer d'une manière moins structurée les différents partenaires dans la discussion et nous avons chaque fois estimé que nous avons appris quelque chose. Et que c'était de nature à influencer notre démarche.

Nous sommes donc ravis que quelque chose de ce type est maintenant formalisé.

Dans quel état d'esprit est-ce que nous venons? Nous venons dans un état d'esprit de volonté, nous aurons le rôle que nous pouvons au mieux que nous pouvons.

Un rôle de conviction qui si tous ensemble nous le voulons bien, ce sera une structure utile. Et nous avons comme démarche intellectuelle celle de la modestie et de l'écoute.

C'est sûr que nous avons des opinions, mais nous partons de l'idée que les autres ont des opinions aussi. Et que notre opinion définitive nous ne la ferons qu'après avoir écouté les autres. Et deuxièmement de modestie, parce que l'ampleur de la transformation dont d'autres collègues ont parlé est telle, que nous ne devons être pas modestes dans notre ambition, mais dans la compréhension de ce qu'il est possible de faire utilement. Je suis un grand partisan – et notre organisation l'est parallèlement – de ce qu'il est plus important d'être utile que d'être parfait.

Qu'est-ce que c'est que CSR Europe? Nous sommes nés de la réaction d'entreprise à l'appel de Jacques Delors il y a 8 ans. C'est donc une structure spontanée, c'est des engagements d'individus qui se sont ensuite étendus à des entreprises. C'est aujourd'hui un réseau important à travers tous les pays de l'Union, avec des contacts et des développements dans les pays candidats à l'Union. Et c'est ça que nous représentons. Nous ne représentons pas le monde de l'entreprise, nous ne parlons pas au nom de l'entreprise, nous n'avons pas de légitimité à parler au nom de l'entreprise. Nous avons de la légitimité à essayer à mettre sur la table les exemples et les réflexions que notre réseau a recueilli pour le mettre à la disposition des autres et pour vérifier avec eux si des points de priorité orientés vers l'action sont corrects, adaptés à la situation, et dynamiques. C'est un processus dynamique. C'est que nous allons traiter en 2004 ce n'est pas exactement ce que nous traiterions au mois de novembre 2002. Le monde va évoluer. Nous allons évoluer avec ce monde. C'est qui est intéressant c'est la contribution à cet exercice de changement avec la participation de tous ceux qui ont la capacité d'avoir une influence à cet égard. C'est pour ça que nous sommes ravis de pouvoir échanger nos vues avec l'ensemble des stakeholders, que nous mettons à la disposition notre expérience de terrain, dans la mesure du possible nous indiquerons ce que cette expérience nous amène à penser au sujet de ce que l'on pourrait faire pratiquement. Ce que nous proposons implique la responsabilité de l'exécution de ce à quoi nous nous sommes engagés. C'est une responsabilité qui n'est pas unilatérale, c'est une responsabilité par rapport à nos structures, et aux structures extérieures.

Deux points que je voudrais souligner:

- 1) l'élargissement du réseau aux petites et moyennes entreprises. C'est plus compliqué pour elle d'être impliquées dans le mouvement. Comment les faire participer, comment les faire bénéficier, est une question importante.
- 2) l'importance de l'enseignement et de la recherche. Nous sommes encore dans une structure où l'intuition est plus importante que l'analyse fondée sur un certain nombre de constatations. C'est important que les jeunes qui rentrent dans une entreprise sachent que cette dimension de la responsabilité sociale est une dimension qui fait partie de la responsabilité normale. Ça s'apprend. Il faut qu'il y ait une réflexion sur la manière dont dans les cours de management et dans les cours normaux du premier niveau de diplôme, cette dimension apparaisse.

Je voulais terminer en faisant une remarque de caractère pratique: il est très important que les travaux concrets commencent dans le contexte d'une organisation la mieux comprise par tous les partenaires de manière que nous commençons avec le moins d'ambiguïté possible. Il est clair que régler tous les éléments d'environnement qui sont nécessaires dépasse la capacité de ce qu'un Forum comme celui-ci peut faire. Ce qui ne veut pas du tout dire que ce n'est pas une dimension de sa réflexion.

Le comité de coordination a une responsabilité cruciale à ce stade-ci pour le bon lancement de l'opération. Je préférerais que l'on prenne huit jours de plus ou trois semaines de plus pour être sûr que l'ensemble des participants sont confortables avec le caractère opérationnel des travaux qui suivent.

Nous sommes bien conscients que l'influence que ce Forum peut avoir sur la transformation de notre société et sur ce que la Commission voudra bien proposer, est directement proportionnel à ce que nous sommes capables de vous proposer. Si nous ne sommes pas capables de faire des choses concrètes vers vous, nous n'avons plus aucune raison de nous plaindre de notre absence d'influence.

### ERT (European Round Table of Industrialists) Address by Wim Philippa, Secretary General

On behalf of the Members of the European Round Tables of Industrialists, may I say that ERT welcomes this opportunity to be part of the EU Multi-Stakeholder Forum on Corporate Social Responsibility. We feel we have a wealth of valuable experience to contribute to this important and potentially very promising dialogue, and are looking forward to sharing our knowledge and experience with the other distinguished participants.

Why do we feel this Forum is so important?

ERT Members – all Chairmen or CEOs of major international companies headquartered in Europe – are committed to the promotion of EU competitiveness, and see sustainable development as the guiding principle for business in its efforts to contribute to the realisation of the Lisbon agenda.

The failure of any company to satisfy the three elements of sustainable development – economic, environmental or social – would lead, over time, to terminal weakness, in terms of credibility and trust amongst stakeholders and in terms of internal organisational resources. Recognition and respect for corporate social responsibility are therefore key to any company interested in building a healthy future for its employees, shareholders and stakeholders in general.

Put simply, CSR is a vital component for building business competitiveness.

The companies behind our Members take an active approach to CSR and have, over many years, gained a great depth and breadth of experience in this area.

ERT's Position Paper on CSR, developed in response to the Commission's Green Paper on *"Promoting a European Framework for Corporate Social Responsibility"*, indicates some of the learning from this experience.

It underlines that, to be most effective, CSR policy must be:

Voluntary: rooted in each company's particular history and culture, encouraging management and employees to develop shared, creative approaches that motivate compliance;

Business-driven: reflecting each company's specific commercial and geographical operations, through flexible approaches that provide an effective and dynamic response to local challenges;

Global: CSR is not simply a local or national issue. It has international and even global dimensions. ERT companies themselves operate across many countries and continents and have experienced the complexity of developing an approach to CSR that is sensitive to a wide diversity of peoples, histories and cultures. In this context, international guidelines and codes, such as the OECD Guidelines for Multinational Enterprises or the UN Global Compact, are valuable aids.

ERT greatly appreciated the Commission's emphasis in its new Communication *"Corporate Social Responsibility: a business contribution to Sustainable Development"* on both the global and voluntary nature of CSR.

ERT also welcomed the recognition that, as the Commission says, *"in principle, adopting CSR is clearly a matter for enterprises themselves, which is dynamically shaped in interaction between them and their stakeholders"*. We are convinced that the responsibility for establishing CSR principles and ensuring their implementation sits best with the individual company, not least because increased transparency in all areas of business not only enables stakeholders to scrutinise performance but also to hold management to account.

We believe that the contribution of responsible corporate conduct to our society is significant. It should not be placed at risk through development of specifically European standardised approaches, certification procedures or reporting requirements that might frustrate innovation and damage competitiveness, placing EU-based companies at a disadvantage to their competitors in other regions.

Finally, I would say that CSR has its limits and does not mean that companies should involve themselves in trying to solve all the problems of the societies in which they operate. They have neither the legitimacy nor the organisational resources to do so. The main contribution from companies should be within their own remit and based on their own competences, in dialogue and, where appropriate, in partnership with other parts of society.

It is for this reason that we are so looking forward to the opportunity in the Forum of an open dialogue on CSR, to deepen our shared understanding of the opportunities and challenges, to exchange learning and experience, and to promote best practice.

In this way, we strongly believe that the Forum can make a significant contribution to European competitiveness and the achievement of the Lisbon goal.

## Eurochambres

## Address by Arnaldo Abruzzini, Secretary General

As participants in the Multi-Stakeholder forum on CSR, we welcome the initiative of the European Commission to create this European arena as an open forum for discussion amongst stakeholders. Our members, already working on the issue of CSR, are committed to contribute to the success of this forum.

We will engage in the Forum's discussion putting forward the position of the local business community. This position is based on four pillars, particularly important for SMEs:

CSR has to be voluntary and business-driven; by definition CSR is not stemming from regulatory measures, and does not substitute them but is a voluntary commitment going beyond mandatory legal requirements. We strictly oppose compulsory measures;

Big enterprise initiatives are not models for SMEs; it is necessary to make a distinction between issues faced by SMEs and in particular small and micro enterprises and the ones faced by bigger enterprises in relation to CSR. Consequently, it may not be possible to trim down or simplify existing approaches to CSR to make them relevant to SMEs;

CSR is linked to sustainable development and the competitiveness agenda: a balanced approach between these two objectives is essential;

For the local business community, corporate citizenship at local level is the main issue. The global perspective of CSR is mainly relevant for multinationals.

In this spirit, the European Chambers of Commerce and Industry have welcomed the announced focus on SMEs made in the Communication of July 2002 on CSR.

However, we strongly express our concern about the working methods and composition of the forum. We are worried about the unbalanced representation of stakeholders, far from reflecting the European economic fabric – especially SMEs accounting for more than 95% of all European enterprises. The current composition of the co-ordination committee does not confer the necessary legitimacy to this body. By neglecting the SMEs' interest, the Commission is taking a step back from the strategy proposed in the Communication on CSR from 2 July.

Moreover, while we support the objectives of the Multi-Stakeholder forum, and welcome exchange of experience and good practice, we completely disagree with the working method, negotiated within a non-representative co-ordination committee. Since we believe that the EU's approach should be to encourage individual voluntary initiatives and promote best corporate practices, we are concerned about the general under representation of business in a forum dedicated to voluntary corporate actions. CSR is mainly a company management issue. Therefore, companies are the primary and most relevant actors in any debate on CSR.

Following the proposals made by Mr Davignon and Mr Müller, we request a further discussion on the composition and working methods of the Forum until each stakeholder feels comfortable with its structure and has ensured this forum can make the most effective and useful contribution to the debate on the future of CSR in Europe.

## Social Platform

### Address by Anne-Sophie Parent, President

Commissioners, ladies and gentleman,

The Social Platform is an alliance of 38 European non-governmental organisations, federations, and networks in the social sector, which uphold a wide spectrum of European civil society.

*The Platform includes associations representing women, people with disabilities, unemployed people, people living in poverty, gays, lesbians, young people, children and families, along with older people. The member organisations also include NGOs providing social services, and those working on social issues such as social justice, homelessness, life-long learning, health and racism.*

NGOs can make a significant contribution to the development of CSR, and as a member of the Co-ordination Committee, the Social Platform welcomes the acknowledgment within the composition of this Forum of the contribution which can be made by social NGOs, but also by European environment, human rights, development, and consumer civil society organisations. The Platform is pleased to be present for the inaugural meeting of the CSR Forum, and looks forward to working with the other stakeholders with the aim of strengthening the development of CSR.

Social NGOs wish to promote the use of CSR in the fight against social exclusion and discrimination. Whilst the voluntary action of companies can play a very useful role here, we insist that CSR must not be seen as a replacement for regulatory instruments – both current and those which are necessary in the future but as complementary measures which would help change attitude and promote a more inclusive working environment.

Furthermore, CSR is a global issue, and European discussion must be based upon existing international standards, in particular those of the International Labour Organisation, which must provide a ‘floor’ to the CSR debate. Likewise, the application of CSR must include all activities of the company both inside and outside Europe; activities of the company itself and also its subsidiaries and sub-contractors.

At the start of this Forum, then, what are the Social Platform’s criteria for a successful completion of its work in 2004?

For us, it is clear that the Forum must make strong recommendations on how to establish a convergence of standards on CSR, in order to promote credible, verifiable systems of reporting and auditing.

Whilst all of the stakeholders gathered here today are important to the future of CSR, it is ultimately the citizen who will decide whether to give CSR credence, or to dismiss it as mere corporate public relations.

It is in everyone’s interests to ensure that *credibility*, and not *cynicism* prevails. But to do this we must go beyond discussing case-studies, and establish clear guidelines which will recognise the most advanced companies, and encourage the rest to meet their standards and go beyond. Thank you.

## Green Eight / WWF

## Address by Tony Long, Director, WWF European Policy Office

WWF welcomes this opportunity to participate in the work of the Forum. We shall do this together with Friends of the Earth as representatives of the European environmental movement, otherwise known as the Green G8.

Many of the largest industrial and economic sectors in Europe will be affected directly by the sustainable development challenges INCLUDED in TREATY of AMSTERDAM and laid out in the Gothenburg European Council conclusions in June 2001 and in the General Affairs Council conclusions post-Johannesburg on 30 September 2002. This includes the agriculture, food and retail sectors, transport industries, water, electricity, power and public utilities, the chemical industry and so on. In fact, all major parts of industrial enterprises would be affected by this challenge of sustainable development including research and development, production methods, sourcing or raw materials and suppliers, distribution to markets and dealing with end-of-life products.

CSR is a welcome recognition that business is realising the scale of the challenges. But in our comments on the Commission's Green Paper, WWF stated that:

The voluntary commitment to CSR, though welcome, is not sufficient on its own to meeting the scale of the industrial, economic, and social transformation foreseen in the challenge of sustainable development. Regulation will be needed on top.

But regulatory activity will need to be raised considerably in any case to help correct market deficiencies, including the failure of the market to capture environmental externalities and to create a level playing field. In short, ecological services and functions essential for life on the planet ARE STILL TREATED as free goods will need to be paid for.

The very definition of corporate social responsibility needs to be widened so that profit is not equated with monetary returns to shareholders alone but includes other non-monetary elements of business success and achievement

The growing number of ethical investment institutions involved in investing in progressive business social and environmental behaviour are already a sign that INVESTMENT corporate practice is ahead of more conservative thinking that CSR is a brake on competitiveness.

Corporate environmental responsibility in the global context post-Johannesburg will become increasingly important, for instance already demonstrated by Type II partnerships that the EU is involved with, together with business and NGOs in the area of water and energy.

This perspective on Corporate Environmental Responsibility being part of Corporate Social Responsibility in turn part of Corporate Global Responsibility FOR SUSTAINABLE DEVELOPMENT LED BY EUROPE will be the one that WWF will bring to its work in the Forum. We shall argue that a sharper, more focused and more analytical approach to CSR is required to match the scale of the industrial and economic and social transformation confronting society as it grapples with the sustainable development challenge OF ACCOMODATING 9 bn PEOPLE ON THE PLANET IN THE NEXT 40 YEARS.

Green Eight / Friends of the Earth International  
Address by Duncan McLaren, Head of Policy, Friends of the Earth UK

Today marks a welcome step forward in the pursuit of environmental and social sustainability for Europe. The establishment of this Multi-Stakeholder Forum provides an opportunity to improve the sustainability performance and policies of European business.

This forum has two particularly important jobs – first to establish common guiding principles for voluntary business action on sustainability, and second to identify and explore areas where additional action is needed at the European level. There are many such areas – taxation that reflects environmental goals, reform of subsidy regimes, enhancing the role of stakeholders in corporate governance, and ensuring transparent verification of voluntary commitments by business – to name but a few.

Such measures set a framework in which voluntary commitments can properly complement economic measures and legal requirements. And let us be clear, Friends of the Earth welcomes voluntary action by business, but only where it complements regulation. The role of voluntarism is not to supplant or replace regulation, but to offer business the opportunity to seek strategic competitive advantage by enhanced social and environmental responsibility.

Friends of the Earth is participating in this Forum to encourage such action, but also to ensure that this process reinforces and does not undermine urgent and necessary progress towards global regulation for corporate accountability. Only when business is transparently and enforceably accountable to all its stakeholders – including those in the global South – can its interests fully coincide with those of wider society. All those stakeholders should be involved: so this forum must be careful to ensure effective participation by developing country representatives.

Together, legislative and voluntary action can transform key sectors – such as transport, energy, chemicals, mining and agriculture – to reduce the overall ecological footprint of Europe to a socially just and environmentally sustainable level. This Forum can help establish common principles that will allow truly leading companies to forge ahead, whilst the regulatory floor is raised to ensure that laggards and free-riders do not undermine progress. It must also work to ensure that companies cannot use their representation here, nor any other process or code of conduct as a public-relations exercise to obscure the reality of the environmental or social impacts of their activities. Friends of the Earth will be constantly vigilant against such 'green-wash'.

As we have seen in the past year, where companies – responding to the tyranny of short-term shareholder value – deliberately seek to conceal the truth about their financial circumstances, the consequences harm all companies' stock values, and the lives and livelihoods of millions through impacts on jobs and pensions. The lack of effective independent verification harms society. Yet in the arena of social and environmental performance, the safeguards against such abuses are almost non-existent, while the potential impacts on lives and livelihoods – especially in the Global South – are at least as great.

In conclusion, the task of enabling corporate responsibility through corporate accountability is pressing. It is in all our interests to seek rapid and constructive progress in every forum available – including this one. I look forward to working with you all towards our common goals.

Beuc (European Consumers' Organisation)  
Address by Charlotte de Roo, Environment, Safety and Health Advisor

BEUC welcomes the opportunity to be present at this round table. The role of consumers in CSR is increasingly important as the market place is more and more the place where collective goods are to be established. A lot of responsibility is on the shoulders of consumers. They are expected to make responsible choices. They are expected to be critical and encourage good companies. In this way consumers 'enforce' CSR". This role for the consumer follows from developments in the WTO, which limits the role of national governments, but relies on the market place to address consumer concerns. This role also follows from liberalisation and privatisations world-wide, in the EU and in the member states. It also follows from the Johannesburg summit, where companies take the lead in enabling sustainable production and consumption. In general terms the role of consumers can be described as one of a countervailing power in the market place thus being a part of the change from government to governance. Commissioners Anna Diamantopoulou (Commissioner for Employment and Social Affairs) and Erkki Liikanen (Enterprise and the Information Society) have referred to these developments in society in their speeches and indicated that these are necessary developments in the ambition of the EU to become the most competitive economy in the world, while ensuring the generation of value within its economy will benefit all citizens.

At the moment however consumers are unaware of this major importance of their decisions in the market place. Consumers are confused about the roles of governments. Consumers still trust their governments or would expect their governments to safeguard their health and safety and the conditions under which products are produced both with respect to the social and environmental impact of production. Consumers have very few means to distinguish good and bad products. They lack complete, verifiable information to make choices and they lack information to take part in the debate on sustainable production and consumption. In The Netherlands, the consumer organisation Consumentenbond, performed research in 4 sectors of industry: meat production, clothing in department stores, wooden floors and mobile telephones. Although the level of accountability and transparency varied somewhat between companies and between sectors of industry some general conclusions could easily be drawn: there is some information in annual reports and at the level of corporate statements, such as vision documents and mission statements. However information on the product level is mostly lacking. In many companies the mission has not been translated to instructions for buyers, marketing and sales people and product developers.

A further problem is the supply chain. These are activities which are not subject to the corporate policy and do not fall under the legal responsibility of the company. Very few companies are able to answer consumers on questions relating to this part of the production chain, while most of the consumer concerns are in this area. Many questions were left unanswered. How can consumers make responsible choices if they lack information. How can consumers act as countervailing powers without transparency! Without transparency there is only a black and white discussion on the basis of scandals or guessing. For consumers CSR means show me, don't tell me!! Without transparency there is no dialogue. Without transparency there is no basis for comparative testing. Consumer organisations are unable to provide consumers guidance on responsible buying decisions. Without transparency the aims of the European Union to move towards a system of governance depend on information are not going to be realised!!

The European round table on CSR is an interesting initiative. European consumer organisations are very willing to share their experiences. This dialogue could however never substitute for

a dialogue outside this room, which has to take place all over Europe, in all companies with their stake holders and between consumers and producers. In addition, this dialogue can not substitute for a clear role of government. Consumers have very high expectations of their governments. The interests of the consumer in the market place need to be safeguarded. Also a strong market place needs a strong regulatory framework and a regulator who is clear about his tasks. This may be a different task from the one government used to play. There is no need in reopening the debate on standards. What we need is enforcement of existing standards such as OECD-guidelines, UN standards. Our governments have signed these treaties and should now start to act. We want support for existing initiatives such as the GRI and promises such as the ones done in Rio and Johannesburg on sustainable production and consumption.

We expect our governments to show leadership in the issue of sustainability as well as implementation of consumer rights (including the right to a sustainable environment). We expect our governments to act with a sense of urgency. This dialogue should therefore never cause a delay in government action in the field of corporate social responsibility and the safeguarding of consumer interests in the market place. To set the rules for transparency in the market place is the primary role of governments and the EC. This starts with giving consumers the right to know how goods and services are produced. From companies we expect clarity on the responsibility they are willing and able to take for environment and society. So our expectations are not unrealistically high. Also we want to hear which measures are necessary to create a level playing field for companies.

#### FLO (Fairtrade Labelling Organisations International) Address by Luuk Zonneveld, Managing Director

"My name is Luuk Zonneveld, I am managing director of Fairtrade Labelling Organizations International (FLO), the world-wide standard-setter and certifier of Fairtrade. I also represent a broad range of other Fairtrade organizations members of the International Federation for Alternative Trade (IFAT), the Network of European Worldshops (NEWS!) and the European Fair Trade Association (EFTA).

We welcome the EC's initiative to set up this CSR Forum. Still, we strongly believe that voluntary CSR measures must be complemented by legislation, international treaties and agreements that oblige all companies anywhere to abide by basic social and environmental standards.

For a voluntary concept to work, it must be made attractive. In other words, companies should want to engage in CSR because it improves their business. Therefore, important aims of this Forum should be:

- to devise and promote adequate ways to make good CSR practices visible to the public, the media etc. - and one of the ways to do so is through labelling - such as Fairtrade labelling; and
- to develop concrete proposals to the EU and national governments on concrete measures to facilitate/enhance/promote CSR. Such proposals could for example include the EU's and governments' support of advocacy campaigns promoting effective CSR instruments, preferential treatment of CSR products and services (reduction of import tariffs, fiscal measures such as lower TVA etc.), and ensuring that in public procurement, preference is given to goods and services related to best CSR practices.

One of the most adequate tools to promote voluntary CSR is social labelling. We strongly believe that neither the EU nor national governments should establish new public social labels, but that they should support the establishment of standards for social labels, and actively promote those labels that satisfy these standards. To this extent, with EC support, FLO, which provides the basis of Fairtrade labelling as the world's foremost social labeling, is initiating a European Social Labelling Forum.

To ensure that the Forum develops proposals for political activities that reward good CRS practices, we call on political representatives of the EC, the EP and the Council to actively participate in the CSR Forum, and, as a means to promote CSR beyond the borders of the European Union, we propose to invite WTO to the Forum as well, as a means to ensure WTO compliance and perhaps support of/for this political facilitation of CSR.”



European Commission

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