



CHINA-EUROPA FORUM

CSR Documents Outlines

**Prepared for China-Europa Forum's
CSR Workshops to be held
in July 2010**

June 2010

Introduction

The China-Europa Forum

The China Europa Forum has commissioned this document.

The China-Europa Forum¹ is a society-to-society dialog process of a new kind to take up our common challenges. It is a great opportunity to strengthen the dialog between European and Chinese societies, and within each society.

In July 2010, 60 workshops will take place across China, and a closing conference will be held in Hong Kong that will give accounts of all workshops.²

For each workshop, one or two Prime Movers (leaders) from China, and one or two Prime Movers from Europe invite around 20 participants to share their experience and their views.

Document purpose

Four workshops are focusing on CSR:

S39a Executives Responsible Management³

S39b Corporate social responsibility: a way for a better dialogue between China and Europe⁴

S39c Companies ecological responsibility: for an environmental friendly industry & policy⁵

T44c International regulations applicable to multinational companies⁶

The document consists of outlines of documents. The documents are documents selected by the Prime Movers (leaders) of the China-Europa Forum CSR Workshops, and that they wanted to include in the background documentation for their respective workshops.

Report author

This document has been written by Joëlle Brohier, Anakout. It tries to give a fair outline of the documents. Comments should be sent to joelle.brohier@gmail.com.

¹ <http://www.china-europa-forum.net>

² Programme <http://www.china-europa-forum.net/rubrique124.html>

³ <http://www.china-europa-forum.net/rubrique423.html> - Accessed 17th June 2010

⁴ <http://www.china-europa-forum.net/rubrique425.html> - Accessed 17th June 2010

⁵ <http://www.china-europa-forum.net/rubrique427.html> - Accessed 17th June 2010

⁶ <http://www.china-europa-forum.net/rubrique513.html> - Accessed 17th June 2010

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⁷ The original title, in the original language, is mentioned between brackets, when appropriate

AFD Group (French Development Aid Agency) and CSR in the Bank Industry – Partnerships for strengthening CSR AFD, 2009

Type of document: AFD pamphlet

CSR in the Bank Industry

Bank CSR is three-fold:

- Internal CSR: ecological footprint, working conditions etc...
- Responsible product and service offer;
- Management of social and environmental risks of investments.

CSR benefits for banks include enhancement of:

- Risk management of investment portfolio;
- Human resources management;
- Cost management;
- Client management;
- Public relations;
- Governance.

AFD Commitment to CSR

AFD included CSR in its Strategic Plan for 2007-2011. AFD is a signatory of the UN Global Compact since 2004, and has committed to the French Charter for Sustainable Development of State-Owned Enterprises in 2008.

AFD three key CSR objectives are:

- Reduction of its ecologic footprint;
- Transparency in its relationships with other organisations;
- Setting up of a social and environmental risk management system for all financed projects.

ADF Initiative for Banks

AFD considers banks can contribute effectively to CSR implementation within small and medium enterprises. They can do so through social and environmental risks' management of their financing and credit activities. Therefore, AFD has engaged in partnering with banks in developing and emerging countries.

All banks partnering with AFD have, or commit to have, CSR policy and resources for CSR implementation. When necessary, AFD can help banks to design and implement CSR policy and action plan. A financial support can be brought to the bank if it is needed.

Moreover, AFD is developing strategic partnerships with banks. Partnering banks get a specific credit line for implementing CSR in small and medium enterprises. CSR implementation is achieved through enhanced social and environmental risks' management, training, awareness rising, auditing of SMEs.

States and CSR Promotion among Small and Medium Enterprises

Minister of Foreign Affairs, France, 2009

Type of document: Address of Michel Doucin, French Ambassador for CSR and Bioethics, to the CSR Conference hosted by the Swedish Presidency in Stockholm, on 11th November 2009

Small & Medium Enterprises are key for many economies

SMEs (Small and Medium Enterprises) account for a large share of national GDPs, everywhere in the world. Moreover, SMEs often supply large western companies that require them to sign a Code of Conduct on labour rights. Therefore, CSR capacities are part of SMEs' competitiveness.

Many governments are supporting CSR implementation in SMEs

In Asia, among initiatives put forward by M. Doucin, we can mention:

- Thailand: the government has conducted a comprehensive dialogue process for designing a CSR policy. 4,000 organisations have participated in regional forums, including many small SMEs. This process forms a basis for the future Thai National CSR Policy that is to be released in 2010;
- Vietnam: the government is supportive of, and sometimes participate in, many initiatives being implemented that aim at improving labour conditions in SMEs supplying international textile and footwear brands. These initiatives involve among others the Vietnamese Chamber of Commerce and Industry, international institutions such as ILO, brands, and government-led agencies (Vietnam Cleaner Production Center);
- China: the CNTAC is disseminating its social standard CSC9000T in clusters of SMEs through large enterprises. CNTAC is a business organisation linked to the government.

In Europe, we can cite:

- Denmark: the Danish Governmental Center for CSR is in charge of implementation of the CSR Action Plan. This plan includes a "People & Profit Project" that targets SMEs. More than 2,500 SMEs have been trained on CSR. However a 2008 survey revealed that only 26% of Danish SMEs have developed CSR projects. A "Train the Trainers" project is also planned;
- France: a new law (Grenelle de l'Environnement) has been passed in 2009 that broadens the scope of the Law NRE making CSR disclosure mandatory for listed companies, and will require CSR disclosure from more companies than NRE. Moreover, the French government supports CSR initiatives benefiting SMEs, such as Fibres Citoyennes (Citizen Textile) that aims at promoting responsible practices across textile and garment supply chains; and the Centre des Jeunes Dirigeants (CJD - Young Executives' Center). The CJD has developed a "Global Performance" methodology that evaluates businesses on economic, social, environmental and human rights aspects, thus providing businesses with guidance on their CSR performance.

Michel Doucin's conclusion is that CSR offers opportunities for more international cooperation, and, for the Europe Union, for the promotion of its values and enhanced global governance.

CSR: France Commitment Minister of Foreign Affairs, France, 2009

Type of document: Report written by Michel Doucin (French Ambassador for CSR and Bioethics) and his team

French commitment to CSR is four-fold:

- An active participation to international negotiations on CSR;
- Legal provisions for CSR;
- The state acting as a catalyst for multi-stakeholder action;
- High number of initiatives by social and economic actors.

An active participation in international negotiations on CSR

France considers that the development of international public CSR standards with mandatory threshold requirements is a key objective for political negotiations at the international level. These standards must include mechanisms for access to justice and remediation in case of non-compliance.

France is actively participating in, and supports international instruments, international institutions, and processes, linked to CSR: UN Global Compact; UN Secretary General Special Representative John Ruggie and its framework "Protect, Respect, Remedy" for business and human rights; Principles for Responsible Investments; ILO and the ILO Tripartite Declaration for Multinational Enterprises and other initiatives; ISO and ISO 26000; OECD, the OECD Guidelines for Multinational Enterprises and other OECD initiatives on CSR; the G8, its commitment to the EITI (Extractive Industries Transparency Initiative) and its Declarations for a responsible economy; the Francophonie and its Declaration of Quebec; the European Institutions and the IFC (International Finance Corporation).

France has passed CSR-related laws with various impacts:

- Mandatory CSR disclosure (Loi NRE, Grenelle de l'Environnement),
- Promotion of socially responsible investment through more transparency and provisions for encouraging responsible investments;
- Responsible public procurement.

The French state and public bodies also promote CSR through other means than law:

- Dialogue, policy designing and follow-up of CSR policy (National Council and national strategy for Sustainable Development, Grenelle de l'Environnement dialogue process; Club of State-Owned Enterprises and public Bodies for Sustainable Development; Ambassador for CSR and Bioethics)...
- Enforcement of CSR requirements (OECD National Contact Point, Anti-Discrimination Authority (HALDE))...
- Active policy for encouraging labels allowing identification of SRI and CSR good practices.

Private initiatives contribute to CSR dynamics

We can mention the activities of ORSE (CSR Organisation, putting together companies, trade unions and the civil society); the Sustainable Development guide SD21000 of the French standardisation agency AFNOR; IMS (business organisation promoting CSR).

Survey of State CSR Policies in 17 European Countries Minister of Foreign Affairs, France, 2009

Type of document: Report, written by Michel Doucin (French Ambassador for CSR and Bioethics)

Content: overview of main CSR public activities of 17 European countries:

Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxemburg, The Netherlands, Norway, Portugal, Spain, Sweden, the United Kingdom.

CSR public policies in European countries show convergence

CSR public policies in European countries are well developed. They present similarities and allow establishing converging trends:

- Exemplary CSR management in public organisations;
- Regulation of CSR disclosure to clients and investors;
- Setting up of thematic focuses;
- Organisation of exchanges between various CSR stakeholders;
- Global orientations for CSR public action expressed in policy papers.

There are drivers for further policy convergence

They call for a key role of public actors and altogether have a significant power:

- A public opinion increasingly demanding with companies;
- International economic competition that makes CSR a competitive advantage for achieving innovation and improved governance;
- Emerging concepts such as precautionary principle and due diligence;
- The recent financial crisis which has stressed the need for an increased public control on the financial sector;
- The rise of a national and international risk with respect to CSR, linked to the complexity of the international legal framework.

Conclusion: the role of the European Union

The EU has a role to play for enabling a better clarity of the CSR context and thus encouraging convergence. It has already started with the Directives regulating social and environmental aspects and public procurement.

**Social Responsibility of Multinational Enterprises:
Critical Analysis and Legal Prospective**
*Isabelle Daugareilh, published in Spanish under the
title "Responsabilidad social de las empresas
transnacionales: Análisis crítico y prospectiva
jurídica" in Cuadernos de relaciones laborales, #1,
vol.27, p.93-123, 2009*

Type of document: Academic article

Corporate Social Responsibility has developed in the specific context of economic globalisation, and in the same time in a legal context that is inaccurate for this globalisation. Although they are sometimes more powerful than states, multinational companies have nor legal entity nor legal mandate with respect to human rights. To bridge this gap, various international institutions have developed soft law instruments that are limited in nature, scope and legal effectiveness. In this economic and legal context, CSR can be considered as an answer to the lack of legal regulation of multinational enterprises with respect to human rights. Against all odds, auto-regulation CSR norms developed by companies point out with acuteness the question of the legal framework that applies to multinational enterprises. Soft law, on which CSR builds, allows exploring new possibilities for legal provisions. In the same time, it expresses the international community consciousness of the need for legal regulation of multinational enterprises. CSR appears thus as a field for legal innovation in the context of economic globalisation.

Opinion of the European Economic and Social Committee (EESC) on the Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee: Implementing the Partnership for growth and jobs: Making Europe a pole of excellence on corporate social responsibility
EESC, Rapporteur: Ms. Evelyne Pichenot, 2006

Type of document: Opinion

In the conclusions of its opinion, the EESC emphasises, among other aspects, the following:

- European citizens "should have access to the most reliable and comprehensive possible information on the declarations made by enterprises and territorial authorities and the practices which they pursue";
- Member States should "include the promotion of CSR in their National Reform Plans and of course in the national strategies for sustainable development";
- The Member States and the EU should encourage enterprises to adopt a responsible attitude with regard to public procurement (social and environmental best bid policy);
- In a context of diversity of sustainable development practices across Europe (which is a driver for dynamism but also makes concerted approach more difficult), an "inventory of national practices" encouraging CSR should be conducted, that includes public policies and existing legislation;
- In a context of globalisation, European enterprises should "engage in responsible conduct, irrespective of where they carry out their activities, whilst respecting the values of the Union and recognised international standards, particularly in respect of decent working conditions";
- "The EESC endorses sectoral social dialogue initiatives that seek to involve CSR in the field of the management of economic change";
- "The EESC is in favour of SMEs playing a role in bringing about the widespread adoption of CSR practices desired by the Commission";
- "The EESC calls upon European enterprises to help develop the various measuring and information instruments, such as EMAS, GRI and ISO 26000";
- The EESC advocates for a thorough assessment of the level of CSR achieved at the country level – it could be included in the assessment of national and local sustainable development strategies. This could evaluate the strategy released in the European Commission paper.

Communication of the European Commission:

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0136:FIN:en:PDF>

Opinion of the European Economic and Social

Committee (EESC) on Information and measurement instruments for corporate social responsibility (CSR) in a globalised economy
EESC, Rapporteur: Ms. Evelyne Pichenot, 2005

Type of document: Opinion

In this opinion, the EESC gives guidance for improvement of CSR reporting:

Making the measurement of CSR more reliable and more transparent

“Instruments for measuring CSR have to comply with requirements in respect of coherence, relevance and reliability. These characteristics, and the links between them, need to be assessed by means of an approach which is based on universal values and relevant principles, whilst at the same time, respecting diversity.” Coherence is understood as coherence between measurement instrument and international reference instruments, European ones and national legislations. Relevance refers to indicators that give a true and fair measure.

Extending the use and improving the quality of the instruments

SMEs should report on their CSR practices, though their CSR reporting should be adapted to their size. More players should use CSR reporting in their practices: investors, but also export credit agencies, bank and insurance companies, public procurement and international trade actors. Specific reporting instruments could be created to meet specific reporting needs (e.g. industry specific).

Moving from a management initiative to voluntary participation in CSR involving the stakeholders

Companies should move from CSR disclosure achieved by internal management to voluntary disclosure involving stakeholders. To allow participation of stakeholders, companies should ensure accurate transparency. They also should engage in dialogue with their stakeholders. In Europe, European Enterprises Committees should be involved, as well as specific employees’ representatives (employees in the supply chain, temporary workers).

The Sustainable Contract **Yann Queinnec, 2010, in Responsabilités de** **l'entreprise transnationale et globalisation de** **l'économie (to be published in 2010)**

Type of document: Academic article

"A Sustainable Contract is a contract that, in its purpose, or in the provisions for its implementation, balances economic, social and environmental aspects, so as to allow enhancing protection of fundamental human rights and of the environment."

Context and objectives

Yann Queinnec, Director, Sherpa (NGO, France) proposes the concept of Sustainable Contract. This type of contract would be used for commercial contracts between two enterprises. It would include provisions allowing protecting the "general interest" (social and environmental aspects). Such a contract builds on sustainable development concept as defined by the United Nations, and would refer to related international standards. It would help balancing the lack of an international convention mandating companies on sustainable development.

Benefits and potential utilisations

Such a contract could help judges for contract interpretation. Contract provision would set precise and internationally agreed provisions on social and environmental aspects, instead of letting these aspects to the discretion of companies. Sustainable Contracts would contribute to corporate decision-making, once again thanks to reference to social and environmental standards. They could help evaluating company performance on the basis of the triple bottom line concept. At last, Sustainable Contracts could pave the way for integration of sustainable development to contract international law.

How would Sustainable Contracts work?

Potential social and environmental impacts of a contract should be assessed so as to include relevant social and environmental provisions in the contract. The contract would also allow identifying and eliminating unbalances between the signatories of the contract. For example, a contract that would require a sub-contractor to respect the ethical commitments of the client, without financial support to make the necessary investment, would not be sustainable. Sustainability would be integrated to the different stages of the contract: negotiation, writing, implementation, reporting, possible modifications and breaches.

Opinion for the European Economic and Social Committee (EESC) on "Socially Responsible Financial Products"

EESC, Rapporteur: Mr Trías Pinto, 2010

Type of document: Opinion

This opinion mostly deals with "socially responsible investment (SRI) provided by collective investment funds available to both institutional investors and the general public". The EESC's point of view is that "in the post crisis environment, it is necessary to channel investment towards companies with social and ethical values in order to win back the public's confidence in the financial markets." The opinion states that social and governance standards of many financial institutions are not sufficient.

Therefore, the "EESC calls on the Commission and the Member States to encourage the development of SRI in order to facilitate the "standardisation", and consolidation of the current management systems for these products promoting transparent information, comparability in the analysis of investors, technical training and the exchange of best practices. There is some evidence that financial markets react positively to the introduction of standardisation systems and the awarding of certification by official bodies."

Several actions are recommended for the promotion of SRI:

- Finance-related education, targeting among others students and households;
- Public action – taxes, regulations, public procurement - for encouraging investments in SRI funds;
- Public administration own assets to be invested with SRI criteria.

Denmark – Action plan for Corporate Social Responsibility

The Danish Government, 2008

Type of document: Policy paper

Businesses can effectively help addressing nowadays challenges such as climate change and unfair labour conditions in developing countries. On the other hand, social responsibility contributes to business competitiveness and can lead to higher earning. Research (Gallup, 2005) has shown that six out of ten Danish businesses face CSR requirements arising from their surroundings.

Therefore, the Danish government has set up a CSR Action Plan that comprises of four key areas:

- Propagating business-driven social responsibility
 - o CSR disclosure of large companies; and of institutional investors and trusts; awareness activities; Social Responsibility Council; activities engaging businesses on a voluntary basis...-;
- Promoting businesses' social responsibility through government activities
 - o Responsible procurement; CSR of State-Owned Enterprises; state funds responsible management...-;
- Corporate climate responsibility
- Marketing Denmark for responsible growth
 - o This is part of a larger overarching action plan for global marketing that aims at promoting Denmark as a responsible country, socially and environmentally.

In 2012, an evaluation the CSR action plan will be undertaken.

Silence to Deliver – Mobile Phone Manufacturing in China and the Philippines

2008, Somo, Swedwatch

Type of document: NGO survey report, for campaigning purpose

Mobile phone industry: Social and economic background

In 2006, more than 1 billion mobile phones were produced. 50% of these are produced in China. 10% of global semi-conductors are manufactured in the Philippines. Between 1996 and 2005, Asia-Pacific share of global electronics manufacturing rose from 20% to 42%. Most workers are women.

Methodology

Silence to Deliver surveyed labour conditions in 6 factories in China and the Philippines. These factories supply Nokia, Samsung, Motorola, LG and Sony Ericsson, which together account for more than 80% of the mobile phone market.

Survey findings

- Low wages – in both countries, workers are often paid to the minimum legal wage, which does not allow to cover basic needs;
- Excessive work hours – for example, all surveyed Chinese factories exceeded the legal overtime threshold of 36 hours;
- Punitive fines – though not always illegal, they are based on subjective or unfair grounds, such as falling asleep because of excessive work hours;
- Disrespect of union rights;
- Health and safety problems – workers stated that they suffer from, for example, muscle strains, eye problems, allergy; and did not always wear safety gear – some allegations were denied by one factory's management;
- Gendered hiring practices to avoid protests – in China, workforce includes many migrant young women, who are not prepared to defend themselves. Practices of splitting workers that come from the same village for example have been reported. In the Philippines, however, some female workers reported that they enjoyed better conditions at the factory than as workers in the informal sector.

According to the report, CSR practices of large mobile phones companies do not create the conditions for good labour conditions within their suppliers

- The supply chain, despite codes of conduct and monitoring, remains quite uncontrolled. Codes of conduct and monitoring for example are not sufficient to reverse trends of overtime due to un-sufficient wages. And if there is scrutiny on the first- and second-tier suppliers' labour conditions, the rest of the supply chain remain uncontrolled;
- There is a contradiction between asking suppliers to raise social and environmental standards on the one hand, and to deliver products at ever cheaper prices on the other hand;
- Suppliers see CSR as a cost, and would need more guidance for implementing good CSR practices.

Fundamental Human Rights at Work in International Trade - Operational Routes - The Role that can be played by the WTO

Syndex, ETUC, 2008

Type of document: Research report

The report calls for a thorough integration of labour rights by the WTO in its policy and processes. It states that free trade contributes to economic development; and that respect of labour rights is compatible with free trade.

The report suggests three "operational routes" for integrating efficiently and effectively fundamental human rights at work into WTO operations. Integration could help overcome Doha negotiations failures, which supposedly arose from lack of agreement on development paths.

The report synopsis says:

"The question of countries' development is certainly a question of resources, but also – and above all – one of political will, as can be seen from a quick look at the ratifications of the eight fundamental conventions of the International Labour Organization (ILO). Regarded as symbolising the level of development achieved by a country or by an economic area, ratification or lack of ratification of the fundamental ILO conventions does not play this role. In fact, it reflects both ideological postures, like that of the United States, and the defence of the interest of certain economic sectors geared towards exports within the developing countries. Europe's posture on this score seems to have more formal coherence, but we should make no mistake: this coherence is a very long way from having been achieved in every area.

Faced with this development issue, core labour rights constitute a major lever in bringing about compatibility and complementarity between a **legal approach** involving respect for those rights, an **economic approach** regarding their positive impact for human development, and a **political approach** which, in addition to the State players, allows the non-governmental organisations (NGOs), notably the trade unions, to participate in the definition of policies negotiated at the global level. If these three dimensions are mobilised simultaneously, we can look forward to having an operational influence on the major redefinitions underway in terms of the rules on the global trade in goods."

Official Statement of the French Government regarding the Responsibility of Companies in front on Human Rights

French Prime Minister Secretary General, 2010

Type of document: Official response to the opinion of the National Commission of Human Rights on the responsibility of companies regarding human rights. 1st French official statement on CSR. It draws on consultations with ministries and public agencies concerned with CSR, conducted by Michel Doucin, Ambassador for CSR

Responses to CNCDH recommendations are as follows:

1st recommendation: Development of a French corporate social responsibility (CSR) strategy for human rights

The Government agrees and believes that this strategy should be incorporated "into the wider framework of the national sustainable development strategy."

2nd recommendation: Calling on the government to engage in active diplomacy in the area of CSR

"The Government created a post of Ambassador for Bioethics and CSR within the Ministry of Foreign and European Affairs in September 2008, followed by the creation of a General Directorate for Globalisation, Development and Partnerships within the ministry in March 2009." French diplomacy has achieved results on the OECD Principles for Private Sector Participation in Infrastructures, the current version of draft Standard ISO 26000, the final declaration of the 2008 Summit of the Organisation Internationale de la Francophonie (OIF) in Quebec that includes CSR. The French Prime Minister has called in 2009 for the adoption of an international CSR standard.

3rd and 4th recommendations: Calling for clarification of the respective responsibilities and duties of states and businesses with respect to human rights

"France is supporting the work of the UN Special Representative on Business and Human Rights." France has also put forward this topic through the Francophonie (2009 Declaration of Quebec; 2008 Seminar on business and human rights). "A four-year CSR action plan is currently being drawn up for 2010-2013 within OIF, under the aegis of the Peace, Human Rights and Democracy Delegation."

6th and 7th recommendations: Encouraging the French government to play an active role in state regulation of the human rights implications of corporate activities and in bringing perpetrators of violations to justice

The statement gives an overview of laws passed in France with respect to CSR.

5th and 8th recommendations: Stress the need to promote the implementation and development of standards governing economic players, with respect in particular to the UN, ILO, European Union and OECD instruments

The statement gives an overview of related governmental activities.

CNCDH opinion: http://www.cncdh.fr/article.php3?id_article=568

**[France] “Mandatory Information required by Ile-de-France Region from its financial contractors goes further than those included in the governance provisions of the Grenelle de l’Environnement” (French dialogue process for environmental legislation)
*Sherpa, 2010***

Type of document: Press release

The Ile-de-France Region has announced that it will require from each of its financial contractors the following information:

- List of its subsidiaries with activities in tax heavens;
- Country by country, for all subsidiaries: company name, turnover, profit, number of employees, taxes.

Sherpa, a French NGO member of the French Citizen Forum for CSR, welcomes this announcement. It shows that local governments can have a significant role for developing CSR practices within companies.

Sherpa points out that this provision goes further than the provisions of the Law of the Grenelle de l’Environnement, which only requires companies to disclose aggregated social and environmental information.

Law so-called Grenelle de l’Environnement, adopted by the French National Assembly on 29th June 2010 (in French): <http://www.assemblee-nationale.fr/13/ta/ta0504.asp>

[France] Report prepared by the Operational Committee "Enterprises and CSR" for the Grenelle de l'Environnement Consultation Process Operational Committee on CSR, Grenelle de l'Environnement, 2008

Type of document: Report making proposals for operationalising the Grenelle de l'Environnement commitments

In 2007, a broad and thorough consultation was conducted in France on the Environment. It is known as the Grenelle de l'Environnement. The aim of the consultation was to build on citizens and civil society expectations for drafting a Law setting a framework for, and regulating, sustainable development.

Engagements of the Grenelle de l'Environnement, which build on the consultation, were published in October 2007. They include CSR. Around thirty operational committees were set up. The objective assigned to these committees was to operationalise the Law. The 25th Operational Committee (OC) was dedicated to CSR.

The 25th OC released this report with proposals for operationalising the CSR-related engagements of the Grenelle de l'Environnement as listed hereafter:

Proposals with legal or regulatory provisions, for operationalising the following engagements:

- Better enforcement of the 2001 Law NRE (law making CSR reporting mandatory for listed companies);
- Promote CSR and discuss the social responsibility of holdings at the European level;
- Company committees (that include employees) should be involved in company's sustainable development management; there should be a process for environmental alert within the company;
- Broaden the scope of companies required by the law NRE to disclose on CSR;
- Promote Socially Responsible Investment.

Proposals for partnership-style and contractual provisions, for operationalising the following engagements:

- Set up Responsible Company Labels for SMEs;
- The "Bilan Carbone" – assessment of carbon emissions and action plan – should be conducted for all organisations (private and public) with more than 50 employees;
- Give a stronger focus on environmental aspects in vocational training;
- Specify precisely ESG information and indicators to be included in annual reports;
- Encourage investment in eco-enterprises;
- Promote the hiring of an environment manager at the level of a group of enterprises (economic/industrial activity zone);
- Establish dialogue with employees, affected communities and other stakeholders through committees such as citizen advisory panel;
- Create a web portal on CSR;
- Release information campaigns for promoting SRI.

States and Corporate Social Responsibility in a Time of Crisis

Type of document: Address of Michel Doucin, French Ambassador for CSR and Bioethics, to the Multi-Stakeholder Forum on the State of Sustainability: CSR, SRI and ESG, held in Nicosia, on 4th June 2010

Michel Doucin advocates for a strong role of the state, together with a dynamics between the different stakeholders involved in CSR.

Therefore, he reviews the history of CSR and thus aims at demonstrating that the three following common opinions on CSR are wrong and misleading:

- CSR, as a concept, is supposed to be the sole spontaneous creation of the business world - Michel Doucin argues that CSR was framed on the contrary as a response to a series of international crises;
- The development of CSR is hindered by public policies designed to provide a framework for corporate governance - Michel Doucin on the opposite thinks that these policies are useful;
- States are not supposed to be empowered to intervene in corporate management - Michel Doucin also objects to this third belief.

In conclusion, he recalls that the French government is supportive of "international rules for building a universal framework of standards for corporate social initiatives". The framework should achieve the right balance between "private collective self-regulation and public incentives and, when necessary, sanction of public standards." France intends to push this agenda during its Presidency of the G20 in 2011. Michel Doucin would welcome a stronger involvement of the European Commission.

Baseline Study on CSR Practices in the New EU Member States and Candidate Countries UNDP, European Commission (funding), 2007

Type of Document: Research report

This research is part of a project for accelerating CSR in eight new EU member states and candidate countries: Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovakia, Turkey. It aimed at evaluating the state of CSR in these countries.

Main findings are:

Drivers for CSR: government, NGOs and media have limited roles

- Businesses appear to be the main agent of change, though there is a general perception, both within the business community and the general public, that social responsibility and welfare are the primary role of the government;
- No government is taking a lead role. No government has undertaken "systematic... incentives and initiatives for social and environmental performance";
- NGOs are not a driver for CSR. The range of actions used by NGOs in their relationships with businesses is limited. Businesses are essentially a source of funding;
- Media do not hold businesses accountable for irresponsible business practices;
- As a consequence of the limited role for CSR played by NGOs and the media, there lacks a dynamic dialogue between business and society that is essential for CSR.

Company response to drivers for CSR

- Multinationals seem the most engaged cluster of companies in CSR. They usually implement locally their global standards;
- Companies seem to be more open to CSR strategy designing and to engaging with stakeholders, but they show less engagement in CSR-related governance, disclosure, and performance management.

Recommendations for mainstreaming CSR

- The governments should take a bigger role for developing CSR practices and:
 - Identify a governmental body responsible for CSR;
 - Consult with stakeholders on CSR;
 - Develop national strategies;
 - Act in a responsible manner for their own activities (e.g. public procurement);
- The project initiators (UNDP and the European Commission) should enable stronger involvement of the civil society in CSR;
- The project initiators should initiate activities for developing CSR reporting within companies;
- The project initiators should encourage adherence to international standards and upgrading of CSR practices.

Report:

http://europeandcis.undp.org/uploads/public1/files/BASELINE_STUDY_ON.pdf

Guidelines for External Reporting by State-Owned Enterprises: Sweden The Swedish Government, 2007

Type of document: Guidelines

These Guidelines are an update of the Swedish 2002 Reporting Guidelines. They complement the 2002 Guidelines "with expanded and clearer requirements on information about sustainability". They require the 55 state-owned enterprises under the administration of the Swedish Government to include sustainability information in their annual reports, and to publish, along with the Annual Report, a Sustainability Report.

The introduction of the Guidelines says (abstracts):

"The Swedish state is an important company owner in Sweden. These companies represent substantial values. Furthermore, they are ultimately the common property of the Swedish people, which requires open and professional provision of information.

The key words for the Government's administration are openness, active ownership and good order. The overarching objective is that these companies should create value and, where applicable, comply with the societal interests.

The external reporting of the state-owned companies, which includes the annual report, interim reports, the corporate government report, the statement on internal control and the sustainability report, shall be as transparent as in listed companies... A responsible and professional owner should, among other things, take responsibility for issues relating to sustainable development, for example ethical issues, the environment, human rights, gender equality and diversity...

According to state ownership policy, the boards of the state-owned companies are responsible for matters relating to ethical issues, the environment, human rights, gender equality and diversity...

Sustainability reporting is a tool to drive forward work with sustainable development by clear reporting and follow-up. The boards of the state-owned companies are responsible for the companies presenting sustainability reports in accordance with the Global Reporting Initiative (GRI)'s guidelines which, together with other financial reports, make up an integrated basis for assessment and follow-up..."

These Guidelines were adopted after the Swedish State-Owned Enterprises faced criticism on their CSR performance:

- Amnesty Sweden ran a campaign arguing that the risk of human rights violations was higher in SOEs than in private enterprises;
- A media report pointed out the lack of diversity in SOEs' boards – this led to a debate in Parliament with the Minister;
- Nordea, a SOE, faced a complaint of non-compliance with OECD Guidelines through the OECD Specific Instance mechanism. (the Swedish National Contact Point settled the case in 2008, stating that there was no indication of Nordea violating the OECD Guidelines)

The Guidelines: www.sweden.gov.se/content/1/c6/09/41/25/56b7ebd4.pdf

Book Outline: Corporate Social Responsibility, A Dutch Approach
Outline: Ministry of Foreign Affairs, France, 2009 –
Book: Dutch Economic & Social Committee (SER), 2001

Type of document: Outline of a book published by the Dutch Economic & Social Committee

This book presents the principles of the Dutch government CSR approach.

CSR dynamics in the Netherlands rely on the cooperation between enterprises and their stakeholders. Key words for cooperation are voluntarism, network and image. Moreover, the Dutch economy is based on the "consultation economy" principle. With this principle, collective bargaining is progressively moved from a centralised level to the enterprise level, and conducted by the enterprise and the trade union.

Consequently, key factors of performance for companies are long-term management of People, Planet and Profit (PPP); their capacity to attract and retain the best employees thanks to good human resources management and an image of good social actor; their capacity to manage relationships with NGOs and to maintain a good image among consumers and the general public.

The role of the state then is to enable such cooperation and responsible business conduct. Therefore, the state must ensure that the necessary minimum legal standards are in place. It must then act as a facilitator, or catalyst, for creating the dynamics between companies and their stakeholders.