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REPORT

on the Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development (COM(2002) 347 - 2002/2261(INI))

Committee on Employment and Social Affairs

Rapporteur: Philip Bushill-Matthews

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PROCEDURAL PAGE

By letter of 2 July 2002 the Commission forwarded to Parliament its Communication concerning Corporate Social Responsibility: A business contribution to Sustainable Development (COM(2003) 347), which had been referred to the Committee on Employment and Social Affairs and the Committee on Industry, External Trade, Research and Energy, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities for information.

At the sitting of 19 December 2002 the President of Parliament announced that the Committee on Employment and Social Affairs had been authorised to draw up an own-initiative report on the subject pursuant to Rule 163 of the Rules of Procedure, and the Committee on Industry, External Trade, Research and Energy, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities had been asked for their opinions.

The Committee on Employment and Social Affairs appointed Philip Bushill-Matthews rapporteur at its meeting of 4 September 2002.

The committee considered the draft report at its meetings of 21 January 2003, 19 February, 2003, 24 March 2003 and 24 April 2003.

At the last meeting it adopted the motion for a resolution by 32 votes to 2, with no abstentions.

The following were present for the vote: Theodorus J.J. Bouwman, chairpersons; Winfried Menrad and Marie-Thérèse Hermange, vice-chairpersons; Philip Bushill-Matthews, rapporteur; Jan Andersson, Regina Bastos, Johanna L.A. Boogerd-Quaak (for Elspeth Attwooll), Hans Udo Bullmann (for Enrico Boselli), Ieke van den Burg, Alejandro Cercas, Proinsias De Rossa, Harald Ettl, Carlo Fatuzzo, Ilda Figueiredo, Fiorella Ghilardotti (for Elisa Maria Damião), Anne-Karin Glase, Stephen Hughes, Karin Jöns, Ioannis Koukiadis (for Marie-Hélène Gillig), Elizabeth Lynne, Toine Manders (for Daniel Ducarme), Thomas Mann, Mario Mantovani, Claude Moraes, Juan Andrés Naranjo Escobar (for Luigi Cocilovo), Manuel Pérez Álvarez, Bartho Pronk, Herman Schmid, Miet Smet, Gabriele Stauner (for Enrico Ferri), Helle Thorning-Schmidt, Anne E.M. Van Lancker, Barbara Weiler and Sabine Zissener (for Roger Helmer).

The opinions of the Committee on Industry, External Trade, Research and Energy, Committee on the Environment, Public Health and Consumer Policy, Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities are attached.

The report was tabled on 28 April 2003.

MOTION FOR A RESOLUTION

European Parliament resolution on the Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development (COM(2002) 347 - 2002/2261(INI))

The European Parliament,

- having regard to the Commission Communication (COM(2002) 347 – C5-0574/2002)¹,
- having regard to its resolution of 30 May 2002² on the Commission Green Paper "promoting a European Framework for Corporate Social responsibility",
- having regard to the Council Resolution of 3 December 2001 on an European approach to the development of CSR,
- having regard to its resolution of 25 October 2001³ on openness and democracy in international trade,
- having regard to its resolution of 13 November 2001⁴ on the Commission Communication "Services of General Interest in Europe",
- having regard to the Council Resolution of 3 December 2002 on the Commission Communication "Corporate Social responsibility: a business contribution to Sustainable Development",
- having regard to the Commission Communication of 15 May 2001 on "A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development" COM(2001) 264,
- having regard to its resolution of 4 July 2002⁵ on "Promoting Core Labour Standards and Improving Social Governance in the context of Globalisation",
- having regard to the Strategy for Sustainable Development adopted by the European Union at the Gothenburg Summit in June 2001,
- having regard to its resolution of 14 November 2000⁶ on the Commission Communication on the Charter of Fundamental Rights of the European Union,
- having regard to the Commission Communication of 20 June 2001 on Employment and social policies: a framework for investing in quality COM(2001) 313,
- having regard to its resolution of 31 May 2001⁷ on the Commission Communication on

¹ Not yet published in OJ

² P5_TA(2002)0278

³ OJ C 112E, 9.5.2002, p. 326

⁴ OJ C 140E, 13.6.2002, p. 153

⁵ P5_TAPROV(2002)0374

⁶ OJ C 223, 8.8.2001, p. 74

⁷ OJ C 47E, 21.2.2002, p. 218

Bringing our needs and responsibilities together: integrating environmental issues with economic policy COM(2000) 576,

- having regard to Regulation 761/2001¹ of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS),
 - having regard to the two most authoritative internationally agreed standards for corporate conduct adopted by the ILO: the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy" and the OECD: "Guidelines for Multinational Enterprises", and to codes of conduct agreed under the aegis of international organisations such as the FAO, WHO and World Bank and efforts under the auspices of UNCTAD with regard to the activities of enterprises in developing countries,
 - having regard to the outcome of the 2002 UN World Summit on Sustainable Development in Johannesburg, in particular the increased role foreseen for private enterprise in the delivery of public policy, and the Council conclusions of 3 December 2002 on the follow-up to the Summit,
 - having regard to the Final Report of October 2002 by the European Foundation of the Improvement of Living and Working Conditions : "Corporate Responsibility towards Society. A local perspective",
 - having regard to Rule 163 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Industry, External Trade, Research and Energy, the Committee on the Environment, Public Health and Consumer Policy, the Committee on Development and Cooperation and the Committee on Women's Rights and Equal Opportunities (A5-0133/2003),
- A. Whereas the key principles of Corporate Social Responsibility (CSR) include its integration into core business processes and the promotion of transparency and verifiability;
- B. Whereas the Council has called on the Commission to ensure that the Multi-Stakeholder Forum operates in a transparent way, and that the views of all relevant actors are channelled into its work;
- C. Whereas it has been stated that minutes of the Forum meetings will be issued when they are agreed, but that there is no defined timetable laid down for this;
- D. Whereas the successive Rapporteurships on the Green Paper and the subsequent Commission Communication have been allocated to MEPs from different political parties working on behalf of the single Parliament;
- E. Whereas a growing number of enterprises, including SMEs, are developing their businesses on a worldwide basis, and therefore CSR principles need to consider a global

¹ OJ L 114, 24.4.2001, p. 1

- impact alongside local relevance and application; whereas there is widespread and increasing recognition that undertakings have obligations other than just making profits;
- F. Whereas the EU's development objectives call for the implementation in developing countries of international CSR standards, and the EU must therefore help those countries ensure that those standards are implemented by both international investors and national companies;
 - G. Whereas companies cannot act in substitution of public authorities where the latter fail to undertake due monitoring of compliance with social and environmental standards;
 - H. Whereas CSR can contribute to achieving the objectives defined in the European Strategy for Sustainable Development, provided that companies go beyond aspirational commitments and provided that they do not just use it as a mere public relations exercise;
 - I. Whereas the Dublin Foundation, through concrete case studies, has illustrated the high degree of diversity both in CSR application as well as communication methods; that it has also observed that "what companies are facing today is not a fixed universe of topics and issues to 'tick off' in order to be responsible";
 - J. Whereas businesses have a role to play in society and must show responsibility towards all those involved in their undertakings, and whereas those who are most closely involved in the activities of undertakings are their workers;
 - K. Whereas OECD guidelines for Multinational Enterprises (MNEs) and ILO international social standards are internationally endorsed standards; whereas CSR can be valuable in terms of promoting a proactive attitude by companies towards improving their environmental and social records; whereas CSR should not be seen as supplanting legal obligations but as supplementing them;
 - L. Whereas the concept of CSR is relevant for all sizes of businesses;
 - M. Whereas the term 'corporate social responsibility' is a many-faceted concept embracing various elements of business practice which are responsible from a social, environmental and societal point of view;
 - N. Whereas SMEs account for over 99% of all EU businesses and over 50% of all EU employees, and most SMEs operate mostly within a local or regional framework where a variety of different conditions pertain; stressing that cooperation should be possible between large concerns and SMEs to help them manage their social and environmental responsibility;
 - O. Considering that gender equality constitutes an integral part of EU policies to promote CSR within the business environment;
 - 1. Welcomes the Commission's Communication and its attempt to define a European framework to promote environmentally and socially sound business practices;
 - 2. Welcomes the successful setting up of the EU Multi-Stakeholder Forum on CSR as an autonomous group run by its members;

3. Is aware that CSR policy has to be developed on a voluntary basis, notwithstanding existing national and European regulation, international conventions and guidelines and further development of these regulations; emphasises that companies should be required to contribute to a cleaner environment by law rather than solely on a voluntary basis;
4. Approves the objectives and mandate of the forum as agreed at the first meeting for the duration of the forum, and welcomes the fact that these are more flexible than foreseen in the original Commission Communication;
5. Specifically welcomes the acknowledgement by the Forum of the need to recognise the diversity of CSR approaches when considering how to facilitate convergence; underlines the choice of the word facilitate rather than to force-fit convergence; welcomes the ownership granted to the Round Tables of the Forum in order to achieve this; observes that the concept of convergence should embrace convergence of opinion, of understanding on the boundaries of responsibility, and of the challenges faced by different businesses, sizes of businesses and business sectors; calls also for the Forum to seek to address potential confusion arising from the proliferation of different CSR tools and instruments;
6. Notes and welcomes the fact that more and more consumers are regarding CSR criteria as important in their purchasing decisions;
7. Whilst endorsing the Multi-Stakeholder approach, accepts the need for CSR to be business driven, and that the development of business tools could facilitate the process; that transparency, accountability and verifiability should be accepted by business as in the strategic interests of business, and therefore why business has to own the promotion and development of CSR;
8. Considers that voluntary measures relating to corporate social responsibility must come from the firms themselves, but stresses that workers, their representatives, consumers and investors must nevertheless be involved in devising the concrete form such measures are to take and in their monitoring and enforcement;
9. Considers that the purpose of CSR should be to add value to an enterprise, and to its sustainability, and that the work of the Forum must respect this purpose; emphasises the business case for CSR, that socially responsible business can protect and promote the long-term profitability of the enterprise;
10. Trusts that the conclusions of the Forum particularly respect the needs and natures of SMEs in this regard, rather than just paying lip-service to them; specifically that the needs and nature of SMEs should be considered horizontally across the work of each of the Round Tables; specifically also that the voice of SMEs should be heard in all its diversity; calls for the issue of potential EU action through policies, programming and funding to be considered within the work of (each of) the Round Tables so that they might further their contribution to social, economic and environmental development;
11. Calls for the Round Table meetings, and especially the November 2003 Forum meeting, to be available live via WEBCAST in the interests of transparency; calls also for the minutes of each Round Table to be posted on the web as soon as signed off by the

individual Rapporteurs;

12. Calls for the papers presented to such meetings by the Commission to be sent simultaneously to the Parliament in the interests of partnership;
13. Insists that environmental, development, enterprise and social aspects of CSR be treated with equal emphasis;
14. Points out that the Communication from the Commission does not pay much attention to the gender impact of, or gender policy issues in relation to, CSR principles; considers that active promotion of women's business development, workforce diversity and work-life balance, above and beyond their legal obligations, may strengthen companies' sense of social and environmental responsibility; to this end, calls for inter alia:
 - measures to increase the number of women in business generally, including in SMEs, on boards of directors and in management positions;
 - better involvement of women in dialogue, evaluation and decision-making; and
 - social partners to compile detailed statistics on the representativity of their consultative/advisory bodies and internal structures;
15. Considers that integration of CSR into EU policy-making must be fully in line with the integration of sustainable development as agreed at the Gothenberg Council meeting; regrets that the Commission Communication does not pay sufficient attention to the role of business in the sustainability of the physical environment and land-use; recalls that the Johannesburg Summit determined that business should be a partner in sustainable development, and that this role should be promoted with vigour and urgency;
16. Invites the Commission and Member States to promote further the application of EMAS as an important tool for companies to continuously improve their environmental performance;
17. Calls on the Commission to raise awareness amongst public purchasers about the possibilities existing Community law offers with regard to the integration of social and environmental considerations into public procurement ;
18. Calls on the Commission, Council and Member States to promote CSR at international level by integrating its principles in external relations, development and trade policies; in particular recommends that the concept of CSR is promoted among export credit and development finance agencies and other institutions involved in foreign direct investment;
19. Calls on the Commission to follow up its Green Paper on integrated product policy by submitting a White Paper containing the full set of guidelines and proposals which will make it easier for both producers and consumers to make full use of the instruments and opportunities offered by the market in order to ensure that the latter functions in a way which is more in accordance with the practice of sustainable development;
20. Draws the attention of the Commission to the fact that this Report also contains Opinions from other relevant Committees; observes that this underlines the role of CSR as a societal and not just a social issue;

21. Asserts that especially for SMEs the importance of "local community" perspective must be taken into account; notes that this can cut across the traditional division of CSR into a social, environmental and economic agenda and can result in a wide variety of responses;
22. Highlights the importance, as stressed by the Commission, of building trust and consensus and support for internationally accepted principles such as the OECD Guidelines for Multinational Enterprises and the Global Reporting Initiative (GRI);
23. Is pleased that, during its Presidency of the European Union during the second half of 2003, Italy is dedicating four important initiatives to promoting, comparing and developing CSR, in line with the priorities set by the Commission;
24. Underlines the desirability of transparency with regard to companies' environmental and social performance;
25. Stresses the important role of CSR in terms of the positioning of European companies in the context of global competition; notes that CSR can best fulfil its objective if there is improved communication between companies and consumers on the basis of comparable information;
26. Calls on the Commission to submit proposals designed to allow companies ready access to high-quality information and to training which will enable them to draw up, with as little effort as possible, sustainability records - pillars which are essential to the sustainable positioning of companies on both national and international markets;
27. Stresses that companies should indicate in their reports the environmental standards they apply when they operate and invest in third countries and illustrate how these standards relate to relevant pieces of EU environmental legislation;
28. Calls on the Commission to put forward proposals aimed at giving the public access to environmental, health and safety-related and human rights-based information held by companies with a view to facilitating external scrutiny; invites the Commission to explore ways of establishing a system of corporate accountability to citizens;
29. Reaffirms its call to the Commission to keep a register of blacklisted companies, i.e. companies convicted of corruption by a court in the EU; takes the view that companies on the blacklist should not be allowed to receive EU contracts or orders for a period of three years;
30. Asks the Commission to speed up the process of developing EU-Ecolabel criteria for further product categories and to consider a proposal on social labelling, and calls on Member States to promote eco-labelled products more effectively and to ensure that environmental claims of a self-declaratory character are not permitted; calls on Member States to introduce proportionate and dissuasive sanctions in the case of any claims which are either false, misleading, meaningless or non-verifiable;
31. Suggests that greater efforts may be needed to enhance a more common understanding of CSR principles and practices amongst candidate countries; welcomes the proposal that the European Social Fund could assist in this process through management training and

- other measures; further suggests that a member from each candidate country should be invited to attend the November 2003 Forum meeting as an observer;
32. Requests that the final Forum meeting should include the European Parliament as an actor not just as an observer;
 33. Considers that opportunity should be taken of the European Year of the Disabled in 2003 to promote more socially responsible behaviour and equal employment opportunities to a key disadvantaged sector of society;
 34. Expresses its support for the Business Campaign for Social Responsibility currently being undertaken by businesses themselves and organised by CSR Europe;
 35. Supports the European Commission in its desire to secure the clear advancement of CSR principles and policies at the EU level at the end of the two years' work of the Multi-Stakeholder Forum, and calls on Forum members to make every effort to secure consensus for future action on this basis;
 36. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

1. The Report on the Green Paper was very thorough, and reflected a high level of consultation at that stage in the process. It is not considered necessary to re-discuss issues fully debated at the time.
2. The Multi-Stakeholder Forum has agreed its mandate, and has started its work programme for the next two years. There is only a limited possibility to suggest a steer at this stage.
3. However, it is important that Parliament registers the role it wishes to adopt in the endgame and does this ahead of time. There is a real danger that the Parliament is being frozen out of the process in a way that is unacceptable: it is worth noting that the Commission Communication was effectively written before the Parliament's response to the Green Paper had been absorbed.
4. The issues affecting SMEs are likely to need further discussion and elaboration.

14 April 2003

OPINION OF THE COMMITTEE ON INDUSTRY, EXTERNAL TRADE, RESEARCH AND ENERGY

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: A business contribution to Sustainable Development
(COM(2002) 347 – C5-0574/2002 – 2002/2261(INI))

Draftsman: Hans-Peter Martin

PROCEDURE

The (ITRE) Committee on Industry, External Trade, Research and Energy appointed Hans-Peter Martin draftsman at its meeting of 8 October 2002.

It considered the draft opinion at its meetings of 27 January 2003 and 20 March 2003 .

At the meeting of 23 April 2003 it adopted the following conclusions by 21 votes to 15, with 1 abstention unanimously.

The following were present for the vote : Jaime Valdivielso de Cué, acting chairman, Peter Michael Mombaur, vice-chairman, Hans-Peter Martin draftsman, Per-Arne Arvidsson (for Fausto Bertinotti), Danielle Auroi (for Nuala Ahern), Luis Berenguer Fuster, Guido Bodrato, David Robert Bowe (for Erika Mann), Gérard Caudron, Giles Bryan Chichester, Harlem Désir, Concepció Ferrer, Colette Flesch, Neena Gill (for Myrsini Zorba), Norbert Glante, Alfred Gomolka (for Paolo Pastorelli), Hans Karlsson, Bashir Khanbhai, Peter Liese (for Dominique Vlasto), Rolf Linkohr, Caroline Lucas, Hans-Peter Martin (for John Purvis), Eryl Margaret McNally, Angelika Niebler, Giuseppe Nisticò (for Umberto Scapagnini), Seán Ó Neachtain, Reino Paasilinna, Godelieve Quisthoudt-Rowohl, Imelda Mary Read, Christian Foldberg Røvsing, Paul Rübig, Esko Olavi Seppänen, Gary Titley, Roseline Vachetta, Alejo Vidal-Quadras Roca, Olga Zrihen Zaari., Philip Bushill-Matthews (for Sir Robert Atkins), and Wilfried Kuckelkorn (for Mechtild Rothe). pursuant to Rule 153(2)

SHORT JUSTIFICATION

CSR represents a promise.

At the start of the 21st century, we are conscious of many aspects of modern industrial societies that have either not worked or have not worked satisfactorily. Based on various isms, Utopian approaches by governments have failed, as have blunt neo-liberal approaches to access to the market process. Many entrepreneurs have consequently long recognised for themselves that they can only achieve success in the long term by taking a resolute approach to implementing clearly intelligible Corporate Social Responsibility Practices (CSR).

In the light of this recognition, it is important at this stage to bring together various approaches to CSR. The transparency of CSR practices, and above all their general intelligibility and comparability, is of key importance in this connection.

Two aspects of the issue of social responsibility in the context of CSR are particularly relevant. Firstly, this approach represents an instrument of competition. Secondly, it is an essential instrument in implementing sustainable development at the European and global level.

In order to enhance the importance of social responsibility as an instrument of competition, companies need to integrate the CSR approach into their management system. That implies a high level of transparency, on the part of the management and in relation to the way in which the company is managed, and means communicating to the public information concerning internal processes with a view to meeting ethical, social and environmental criteria. This process enables a dialogue to develop with the various representatives of civil society (employee associations, non-profit organisations, local communities). By conducting a wide dialogue at European level, companies are able to become much more closely involved in the process of sustainable development. At the same time, the assumption of social responsibility strengthens companies at an internal level, making them more integrated, and it may provide competitive advantages.

It is important for companies to define their social responsibility within society and at international level together with actors in society. That means that companies must communicate intensively and effectively with all stakeholders and take concrete steps in the context of sustainable development.

The social responsibility approach must, therefore, be consciously applied by companies at an internal level and also clearly reflected in their external policy. For the purpose of evaluating the various practices, the 'best practice' model should not be used by itself. In order to enable companies to be evaluated in a comparable way, it is necessary to establish criteria for measuring social responsibility and sustainability. In this way, an accurate assessment of companies can be made by all interested parties, particularly consumers and investors. Ultimately, comparability is to everyone's advantage, including multinational companies and also SMEs, which, in their own interests, should be involved as quickly as possible and to the greatest possible degree in CSR.

CONCLUSIONS

The Committee on Industry, External Trade, Research and Energy calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Welcome the setting up of an EU multi-stakeholder forum on CSR with the task of defining, by mid-2004, 'commonly agreed guidelines and criteria for CSR measurement, reporting and assurance' and 'guidelines for labelling schemes, supporting the ILO core conventions and environmental standards';
2. Stresses that clear, intelligible and comparable CSR criteria are needed in order to prevent CSR from becoming arbitrary and ultimately meaningless;
3. Notes and welcomes the fact that more and more consumers are regarding CSR criteria as important in their purchasing decisions;
4. Emphasises that the disclosure, and comparability, of information is of the highest importance; calls for SMEs to be involved to the greatest possible extent;
5. Calls on the Commission to carry out and publicise cost/benefit studies and evaluations of CSR by size and sectoral category with special regard to the impact on SMEs;
6. Notes that the establishment of CSR benchmarks building upon core values and taking as their starting point international agreed instruments is useful;
7. Stresses the important role of CSR in terms of the positioning of European companies in the context of global competition; notes that CSR can only achieve its objective if there is improved communication between companies and consumers on the basis of comparable information;
8. Reaffirms its call to the Commission to keep a register of blacklisted companies, i.e. companies convicted of corruption by a court in the EU; takes the view that companies on the blacklist should not be allowed to receive EU contracts or orders for a period of three years;
9. Stresses the need for the Commission and Council to devise Community assistance programmes for third countries, in accordance with the minimum labour and environmental standards accepted at international level, with the aim of helping the national governments to incorporate CSR principles in national social and labour law;
10. Underlines its call to the Commission and Council to ensure that the rules applying to the multilateral WTO negotiations reflect the social responsibility of international investors, for example in relation to social and environmental standards, transparency and honesty, practices that restrict competition and technology transfer;

11. Requests the Commission to actively support the work of the Global Reporting Initiative by laying down criteria for triple bottom line reporting and to pursue the objective of submitting, within three years, a directive requiring companies to draw up social and environmental reports in a form appropriate to their size and the sector in which they operate and covering their activities at EU and international level.
12. Demands a launch for a Global Convention on Corporate Accountability as the world society has a right to accountability in terms of environmental, social, and human rights from transnational corporations, and, in the follow up, from SMEs.

27 March 2003

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND CONSUMER POLICY

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: A business contribution to Sustainable Development
(COM(2002) 347 – C5-0574/2002 – 2002/2261(INI))

Draftsman: Alexander de Roo

PROCEDURE

The Committee on the Environment, Public Health and Consumer Policy appointed Alexander de Roo draftsman at its meeting of 27 November 2002.

It considered the draft opinion at its meetings of 19 February and 25 March 2003.

At the latter meeting it adopted the following conclusions by 45 votes to 0, with 1 abstention.

The following were present for the vote: Caroline F. Jackson, chairman; Mauro Nobilia and Guido Sacconi, vice-chairmen; Alexander de Roo, draftsman; Hans Blokland, David Robert Bowe, John Bowis, Hiltrud Breyer, Philip Bushill-Matthews (for Raffaele Costa), Martin Callanan, Chris Davies, Avril Doyle, Jillian Evans (for Patricia McKenna), Anne Ferreira, Karl-Heinz Florenz, Cristina García-Orcoyen Tormo, Robert Goodwill, Françoise Grossetête, Cristina Gutiérrez Cortines, Hedwig Keppelhoff-Wiechert (for Marialiese Flemming), Christa Klab, Eija-Riitta Anneli Korhola, Bernd Lange, Peter Liese, Torben Lund, Jules Maaten, Minerva Melpomeni Malliori, Pietro-Paolo Mennea (for Giuseppe Nisticò), Jorge Moreira da Silva, Emilia Franziska Müller, Rosemarie Müller, Riitta Myller, Ria G.H.C. Oomen-Ruijten, Neil Parish (for Peder Wachtmeister), Marit Paulsen, Dagmar Roth-Behrendt, Yvonne Sandberg-Fries, Karin Scheele, Horst Schnellhardt, Jonas Sjöstedt, Renate Sommer (María del Pilar Ayuso González), María Sornosa Martínez, Bart Staes (for Inger Schörling), Catherine Stihler, Antonios Trakatellis.

CONCLUSIONS

The Committee on the Environment, Public Health and Consumer Policy calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

- A. whereas an EU policy framework to promote Corporate Social Responsibility (CSR) must be firmly placed in the context of Sustainable Development and therefore take account of all dimensions of business impact on the economy, on society and on the environment in an integrated way;
- B. whereas, despite the significant increase in the business and industry sector's commitment to corporate social responsibility, that commitment must be strengthened by means of a code of harmonised good practice, with a view to halting as quickly as possible the damage being done to the planet,
- C. whereas CSR can contribute to achieving the objectives defined in the European Strategy for Sustainable Development, provided that companies go beyond aspirational commitments and provided that they do not just use it as a mere public relations exercise;
- D. whereas CSR can be valuable in terms of promoting a proactive attitude by companies towards improving their environmental and social records; whereas it can never be seen as an alternative to, or substitute for, adequate governance, sound and effective public policy and legislation;
- E. whereas the term "Corporate Social Responsibility" tends to locate the debate primarily in the social frame only and therefore inadequately addresses the importance of environmental sustainability; whereas the term "Corporate Responsibility" appears to offer a more balanced formulation in this context;

Promoting the development of CSR practices

- 1. Welcomes the Commission's Communication and its attempt to define a European framework to promote environmentally and socially sound business practices;
- 2. Welcomes initiatives aimed at improving the knowledge about CSR, facilitating the exchange of experience and good practice, developing CSR management skills and fostering CSR among SME's;
- 3. Welcomes the establishment of an EU stakeholder forum with the overall aim to foster innovation, transparency and convergence of CSR practices;
- 4. Calls on the Commission in its directive on prospectus commitments not only to seek simplification, but also to include provisions in the area of socially responsible

undertakings, so that businesses are also required to state the extent to which they take account of non-financial risks, i.e. social, environmental and ethical risks and liabilities;

Common standards and mandatory requirements

5. Emphasises that companies should be required to contribute to a cleaner environment by law rather than solely on a voluntary basis.
6. Underlines the desirability of transparency with regard to companies environmental and social performance;
7. Stresses that companies should indicate in their reports the environmental standards they apply when they operate and invest in third countries and illustrate how these standards relate to relevant pieces of EU environmental legislation.
8. Calls on the Commission to put forward proposals aimed at giving the public access to environmental, health and safety-related and human rights-based information held by companies with a view to facilitating external scrutiny; invites the Commission to explore ways of establishing a system of corporate accountability to citizens;

Integrating CSR in other policies

9. Invites the Commission and Member States to promote further the application of EMAS as an important tool for companies to continuously improve their environmental performance;
10. Asks the Commission to speed up the process of developing EU-Ecolabel criteria for further product categories and calls on Member States to promote eco-labelled products more effectively and to ensure that environmental claims of a self-declaratory character are not permitted; calls on Member States to introduce proportionate and dissuasive sanctions in the case of any claims which are either false, misleading, meaningless or non-verifiable;
11. Calls on the Commission to raise awareness amongst public purchasers about the possibilities existing Community law offers with regard to the integration of social and environmental considerations into public procurement ;
12. Calls on the Commission, Council and Member States to promote CSR at international level by integrating its principles in external relations, development and trade policies; in particular recommends that the concept of CSR is promoted among export credit and development finance agencies and other institutions involved in foreign direct investment.
13. Calls on the Commission to follow up its Green Paper on integrated product policy by submitting a White Paper containing the full set of guidelines and proposals which will make it easier for both producers and consumers to make full use of the instruments and opportunities offered by the market in order to ensure that the latter functions in a way which is more in accordance with the practice of sustainable development;

14. Calls on the Commission to submit proposals designed to allow companies ready access to high-quality information and to training which will enable them to draw up, with as little effort as possible, sustainability records - pillars which are essential to the sustainable positioning of companies on both national and international markets.

23 April 2003

OPINION OF THE COMMITTEE ON DEVELOPMENT AND COOPERATION

for the Committee on Employment and Social Affairs

on corporate social responsibility: a business contribution to sustainable development
(COM(2002) 347 – C5-0574/2002 – 2002/2261(INI))

Draftsman: Michel-Ange Scarbonchi

PROCEDURE

The Committee on Development and Cooperation appointed Michel-Ange Scarbonchi draftsman at its meeting of 2 October 2002.

It considered the draft opinion at its meetings of 17 March and 23 April 2003.

At the latter meeting it adopted the following conclusions unanimously. The following were present for the vote Joaquim Miranda (chairman), Margrietus J. van den Berg, Marieke Sanders-ten Holte and Anders Wijkman (vice-chairmen), Michel-Ange Scarbonchi (draftsman), Yasmine Boudjenah, Marie-Arlette Carlotti, John Alexander Corrie, Fernando Fernández Martín, Concepció Ferrer (for Luigi Cesaro), Michael Gahler (for Karsten Knolle), Vitaliano Gemelli, Elisabeth Jeggle (for John Bowis pursuant to Rule 153(2)), Karin Junker, Bashir Khanbhai (for Nirj Deva), Glenys Kinnock, Wolfgang Kreissl-Dörfler, Nelly Maes (for Paul A.A.J.G. Lannoye), Miguel Angel Martínez Martínez, Hans Modrow, Ulla Margrethe Sandbæk, Francisca Sauquillo Pérez del Arco, Agnes Schierhuber (for Jean-Pierre Bebear), Maj Britt Theorin and Sabine Zissener (for Jürgen Zimmerling pursuant to Rule 153(2)).

CONCLUSIONS

The Committee on Development and Cooperation calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

After recital E:

Ea. whereas sustainable development is a global concept which applies beyond the EU's frontiers, and whereas proposals for companies based in and operating in the EU should be designed so as to be applicable outside the EU, especially in developing countries,

Eb. whereas the EU's development objectives call for the implementation in developing countries of international CSR standards, and the EU must therefore help those countries ensure that those standards are implemented by both international investors and national companies,

Ec. whereas companies cannot act in substitution of public authorities where the latter fail to undertake due monitoring of compliance with social and environmental standards,

Ed. whereas the UN report of 8 October 2002 on the illegal exploitation of resources and other forms of wealth in the Democratic Republic of Congo, which recommends imposing financial restrictions on a number of companies, some of them operating from the EU, and which identifies numerous other companies as being in breach of the 1997 code of conduct for transnational enterprises, stresses the need for EU companies operating in developing countries to observe CSR,

After paragraph 6:

6a. Calls on the Commission to create an agency which would be responsible for introducing a system for assessing and monitoring observance of international and national standards on CSR and the environment by EU companies operating in developing countries;

6b. Calls on the Commission to encourage companies to comply with international CSR standards by using the instruments available to it, notably support for investment, award of public contracts, tax measures, financial aid and publication in the Official Journal; calls on the Member States to take similar measures and, in particular, to confine access to export credits to companies that are not in breach of CSR standards;

6c. Calls on the Commission's delegations to act to raise the awareness of the national authorities in developing countries and to cooperate actively with them to ensure that they promote compliance with the CSR standards of the OECD, the ILO and the UN by national private and public enterprises in those countries and by transnational companies;

6d. Suggests that the Commission and the Round Table of the Forum concerned with development consider extending the principles already applied by the 'fair trade' campaigns to trade in bananas and coffee; suggests examination on similar lines of the role of financial institutions and pension funds and the consequences of their policies for developing countries;

6e. Calls on the Commission and the CSF Forum to take into consideration the role played by trade in the evolution of conflicts worldwide, taking account of the Voluntary Principles on Security and Human Rights in the EU and the need to end the arms race and its exploitation of natural resources, and to take steps for the implementation of labelling schemes such as that introduced by the Kimberley process for the diamond trade;

6f. Considers that the Commission and the CSR Forum should include in their proposals improved implementation of the OECD's 1997 Convention Against Corruption, as well as a mechanism to ensure public access to information on the commissions paid to civil servants or holders of elected office in order to secure contracts, on the lines of the 'publish what you pay' campaign;

6g. Calls on the Council to include the CSR issue on its agenda, with a view to concrete action on the relevant resolutions of Parliament (both the present resolution and the resolution [A4-0508/1998] on EU standards for European enterprises operating in developing countries) and Commission proposals (notably communication COM(2001) 416 on promoting core labour standards and improving social governance in the context of globalisation), as well as on the initial results that have emerged from the Round Table;

6h. Calls on the Commission and Council to undertake initiatives for the further development of CSR standards within the UN, the OECD (whose 1976 guidelines need revision) and the ILO;

6i. Calls on the Commission and Council to work for the strengthening of the ILO in terms of both resources and powers, so as to improve its capacity to secure better application of CSR standards;

6j. Encourages the Commission and Council to include mechanisms for monitoring and encouraging implementation of CSR standards by companies in all trade-related treaties, be they multilateral, regional (notably the Cotonou agreements) or bilateral;

6k. Proposes the establishment of a European labelling system relating to the social and environmental responsibility of the undertakings and based principally on the following criteria: respect for human rights, respect for labour law (as defined by the ILO Charter and by the OECD), respect for social and ethical considerations concerning workers, and respect for protection of the environment and of workers' health, so that consumers may make their choices in full knowledge of the facts and play an active role with a view to achieving sustainable development;

6l. Urges the Commission to propose a legislative framework for mandatory reporting which, in line with the EU Strategy on Sustainable Development, requires transnational companies to publish an independently verified 'triple bottom line' in their annual reports that measures their performance against environmental, social and economic criteria; recommends that the guidelines developed by the Global Reporting Initiative (GRI) serve as reference point for the formulation of such a legislative framework; stresses that companies should indicate in their reports the environmental standards which they apply when they operate and invest in third countries and illustrate how these standards relate to the relevant pieces of EU environmental legislation;

6m. Urges the Commission to exert pressure on the Member States signatory to the guiding principles of the OECD so that national contact points which seek to ensure effective application of and compliance with those same principles may be established as rapidly as possible;

6n. In this connection, calls on the Commission to promote forthwith the principle of corporate social responsibility in all WTO multilateral negotiations with a view to the Cancún Ministerial Conference which is scheduled to close the Doha Development Round; takes the view that the social and environmental standards set by the international institutions must be applied to the rules governing international trade;

6o. Calls on the Commission to draw up a legally binding framework, accompanied by sanctions, applicable to European undertakings located in third countries, especially those which take part in conflicts and in the pillaging of natural resources and other assets of third countries.

To amend paragraph 11 as follows:

11. Suggests that the conclusions of the Forum in 2004 be prepared by the Enterprise Directorate-General, in consultation with the European Parliament and all relevant Directorates-General;

24 March 2003

OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES

for the Committee on Employment and Social Affairs

on Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development
(COM(2002) 347 – C5-0574/2002 – 2002/2261(INI))

Draftsperson: Anna Karamanou

PROCEDURE

The Committee on Women's Rights and Equal Opportunities appointed Anna Karamanou draftsperson at its meeting of 5 November 2002.

It considered the draft opinion at its meetings of 19 February and 18 March 2003.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote Marianne Eriksson (acting chairperson), Olga Zrihen Zaari (vice-chairperson), Jillian Evans (vice-chairperson), María Antonia Avilés Perea, Regina Bastos, Ilda Figueiredo (for Armonia Bordes), Fiorella Ghilardotti, Marie-Hélène Gillig (for Elena Ornella Paciotti), Koldo Gorostiaga Atxalandabaso, Karin Jöns (for Lissy Gröner), Hedwig Keppelhoff-Wiechert (for Emilia Franziska Müller pursuant to Rule 153(2)), Christa Klaß, Rodi Kratsa-Tsagaropoulou, Astrid Lulling, Maria Martens, Christa Prets, Olle Schmidt (for Lone Dybkjær), Miet Smet, Patsy Sörensen, Joke Swiebel, Sabine Zissener.

CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following points in its motion for a resolution:

- A. considering that gender equality constitutes an integral part of EU policies to promote CSR within the business environment;
 - B. deeming it essential to encourage women to participate more in the establishing and running of SMEs and promote women's entrepreneurship outside the traditional retail and services trades, attractive to women because of their low start-up costs;
 - C. pointing out that the lack of women on boards and in the role of director is the largest barrier for corporate advancement of women and that advances of female executives throughout companies in the E.U. have produced a new pool of talent with experience in many industries, mainly in countries where such initiatives are supported by financial measures in their favour;
 - D. whereas an increase of the number of women in business – and boards of directors and in managerial positions – should be encouraged mainly by giving them access to "how-to" information on business development, providing them with financial assistance programs and facilitating women's access to loans and other financial instruments;
 - E. recognising that numerous organizations offer awards commending companies with exemplary and innovative approaches to women's business development, as a demonstration of their commitment to CSR;
1. Stresses that the promotion of women's entrepreneurship may strengthen companies' sense of social and environmental responsibility and contribute to sustainable development, social cohesion and respect for human rights owing to the sensitivity of women and the priority they give to matters with a bearing on the quality of life.
 2. Points out that gender diversity is an asset for any firm and calls for greater recognition of the important role played by women in the production of goods and the prosperity of society by means of strengthening their involvement in dialogue, evaluation and decision-making procedures to ensure successful implementation of CSR and the harmonious coexistence of the corporate world and society in general.
 3. Calls for more vigorous policy measures to appoint women to leading positions in business and for advisory measures, incentives and options which could provide an impetus for a creative approach by women to sustainable enterprise, which will incorporate the economic, social and environmental dimensions on an equal footing,

4. Stresses that companies should take initiatives, in the context of CSR, to take account of equal opportunities for men and women as aspects of conditions of employment, training opportunities and programmes to facilitate the process of combining professional and private life.
5. Calls on the social partners to compile detailed statistics, relating to the ratio of men to women in their internal structures and in all consultative and advisory bodies in which they are represented and stresses the importance of strong participation by women in CSR, which should be based on the promotion of transparency, verifiability and representativity.
6. Calls on professional associations, business networks, employers', employees' and consumer organisations and civil society to participate in the EU Multi-Stakeholder Forum on CRS with a balanced delegation of women and men.
7. Regrets that the communication from the Commission does not pay much attention to the gender impact or gender policies issues in relation to CRS principles, considers this as an example of the lack of effective implementation of the Commissions own gender mainstreaming principles, calls therefor on the Commission to add a new chapter as soon as possible to the communication devoted to the gender dimension of the CRS.