



Ministère des Affaires Etrangères et Européennes

Ambassadeur chargé de la bioéthique et de la responsabilité sociale
des entreprises

57, boulevard des Invalides – 75007 Paris – tel 01 53 69 31 85 – michel.doucin@diplomatie.gouv.fr

Paris, 29 June 2009

-
Caroline Le Mestre
Intern

**EUROPEAN CORPORATE SOCIAL RESPONSIBILITY:
A CENTRAL FOCUS OF THE FRENCH PRESIDENCY OF THE
EUROPEAN UNION**

1 JULY – 31 DECEMBER 2008

SUMMARY OF 20 EVENTS ORGANISED ON THE TOPIC

The French government wanted its European Union presidency from July to December 2008 to create momentum in all sectors in which the Union appeared able to play a useful role in meeting the major international challenges that were already in evidence and that would become, by the end of the six-month period, an unprecedented worldwide economic and financial crisis.

It had assigned **four priorities to its presidency: the struggle against climate change; migration policy; the Common Agricultural Policy and the European Security and Defence Policy**. Beyond these four themes, the French presidency also strove to offer initiatives to improve global governance with a view to addressing the systemic aspects of the economic and financial crisis: investment in human capital, knowledge and innovation, modernisation of labour markets and definition of active social cohesion policies, promotion of green growth and an environment favourable to businesses and economic activity and last but not least reinforcement of the external competitiveness of the Union through the promotion of its standards and its values.

One **issue cuts across** all these themes: the need for structured connections between private-sector economic and social players on the one hand and public governmental and intergovernmental institutions on the other. The issue of how to promote European corporate social responsibility (ECSR) was, in this context, an important focus of the French Presidency of the European Union. It was addressed in some **20 symposia, seminars, conferences and fora**, in which CSR was structured in six main questions:

- 1. How can CSR be made into a strategic tool fostering innovation and the competitiveness of European companies?**
- 2. How can CSR be used to foster social Europe?**
- 3. Can Europe foster social inclusion?**
- 4. How can companies and public institutions work together to improve environmental protection and combat climate change?**
- 5. Are companies sufficiently aware of the role they can play in promoting Human Rights?**
- 6. How can CSR be promoted in and by European companies?**

This document sums up the substance of the discussions that took place at these events, as well as the proposals and conclusions that emerged from them. A substantial portion of these discussions were organised by non-governmental organisations, demonstrating that the full range of CSR “stakeholders” have taken the issue on board.

1. How can CSR be made into a strategic tool fostering innovation and the competitiveness of European companies?

A. “European Priorities and Proposals for the Financial Services Industry” seminar (organised by the French Presidency)

The aim of the “European Priorities and Proposals for the Financial Services Industry” seminar **organised by EUROFI** on 11 and 12 September 2008 was to debate issues relating to a more robust integration of financial services and their supervision from the perspective of both the financial industry and the consumer. Harmonisation of prudential banking regulation, the draft directive relating to the “Solvency II” prudential insurance regulations, improved supervision of cross-border groups, the simplification of procedures for collective investment schemes, the implementation of “SEPA” common payment instruments in Europe and microcredit were also discussed.

The Economy and Finance Ministers of the 27 European countries, central bank governors, officials representing the European Commission, the European Central Bank and the European Investment Bank stressed **the need to restore consumer confidence, rethink the role and function of the regulatory and oversight authorities and achieve greater transparency and easier access to information.**

The French Minister for the Economy, Finance and Employment, Christine Lagarde, called on Europe to work out a common message focused on three concepts: **growth, confidence and convergence.** She said that **transparency was a priority** and stressed the **need to register and oversee rating agencies at European level** and to achieve convergence of excessively disparate oversight rules.

B. “Strengthening the Contribution of Finance to Sustainable Development: Long Term Challenges, Proposals for Europe” conference (organised by the French Presidency)

A conference was held on 24 November at the University of Paris Dauphine on “ways to strengthen the contribution of finance to sustainable development and ensure that financial markets take better account of the long-term view”. **Organised by Paris EUROPLACE,** it brought together a large number of participants. **The President of the European Commission, Jose Barroso, and the President of the French Republic, Nicolas Sarkozy, spoke at the closing session,** which was attended by several ministers. The organisers presented **10 proposals for the development of responsible and sustainable finance in Europe.**

The first proposals are focused on **promoting transparency and responsible investment.** Trade associations representing issuers, institutional investors and asset managers on the Paris financial market were called on to encourage their members to take the ESG (Environment, Social, Governance) criteria on board in their investment strategies and to publish an annual ESG report. They will also continue to support academic research on sustainable finance. The **development of extra-financial corporate information and of a dialogue between issuers and investors** was also considered crucial. It was therefore recommended that a **shared platform for regular corporate social responsibility reporting** with indicators appropriate to each sector be defined at European level. A third objective is to

foster long-term finance. Supporting the development of long-term savings, further examining accounting standards and better including long-term aspects in the remuneration of the players are further ways to promote sustainable finance.

The second set of proposals focused on **microfinance**. The actors involved in solidarity finance, micro-credit and community savings called attention to the need to **develop tools and techniques serving social inclusion**, via the promotion and development of micro-finance funds in Europe and support for ongoing and incipient European initiatives to **develop micro-credit as a way to support growth and employment**. Micro-credit can play a major role in implementing the Lisbon strategy for growth and employment and promoting social inclusion, in keeping with the current focus on flexicurity.

Last but not least, the conference provided an opportunity to concretely address **environmental challenges**. European carbon finance and climate change stakeholders and eco-industry representatives proposed that a strong policy commitment be made at European level to continue the project mechanisms of the Kyoto protocol beyond 2012. They undertook to promote, at European level, domestic CO₂ projects that provide energy saving incentives and called for market mechanisms to be studied in greater depth as a way to finance renewable energy generation technologies and projects.

2. How can CSR be used to foster social Europe?

A. “2nd Equality Summit” (organised by the French Presidency)

The French Presidency of the European Union, in partnership with the European Commission, held on 29 and 30 September 2008 the 2nd Equality Summit with over 400 high-ranking delegates from member States and States participating in the PROGRESS¹ programme: including representatives from national authorities, persons heading independent equality organisations, national and European elected representatives, presidents of national and European non-governmental organisations, union and employer organisations and companies. Mr. Xavier Bertrand, French Minister for Labour, Labour Relations and Solidarity, chaired the meeting in his capacity as Chairman of the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council, together with Mr. Vladimir Spidla, European Commissioner for Employment, Social Affairs and Equal Opportunities.

Following up the 2007 European Year of Equal Opportunities for All, which lent momentum to the drive to combat discrimination and promote equality, the Second Summit discussed the main issues set out in the non-discrimination section of the renewed Social Agenda which states that the **European Union has considerable leverage to support the fight against discrimination** in the Member States.

Xavier Bertrand and Vladimir Spidla urged the adoption of the draft Directive of 2 July 2008, which aims to improve **legal protection of victims of discrimination** on grounds of age, religion, disability or sexual orientation outside the workplace. This new step forward will strongly signal the European Union’s commitment to promoting equality and combating

¹ PROGRESS is a European programme aimed at promoting employment and social solidarity. It was established to financially support the implementation of the European Union’s employment, social affairs and equal opportunities objectives as set out in the Social Agenda. It also contributes to the achievement of the Lisbon Growth and Jobs Strategy.

discrimination. They stressed the ability of European and national stakeholders, associations, organisations promoting equality, local actors, social partners and the media to disseminate information about rights and duties in fighting discrimination and to change mindsets and thereby ensure effective application of the principle of equal treatment in the daily life of European citizens.

The French Presidency highlighted the need to set up practical tools and policies to support current legislation at European level, to mainstream equality issues in public policies and to seek ways to combat multiple discrimination. The adoption of **voluntary charters** signed by businesses or local authorities and the introduction of **labels** are important ways to combat discrimination at the workplace and should be included in the social responsibility policies of these organisations. **The success of the Diversity Charter achieved in France, Germany and Belgium** bears witness to the extensive commitment of the businesses that initiated it. **Xavier Bertrand and Vladimir Spidla called on European companies and their representatives to draw up a European Diversity Charter.** A European group of government experts will provide a forum for exchanging best practices and discussing non-legislative ways to combat discrimination. The French Presidency also suggested that this work serve as input to the forthcoming Equality Summit to take place under the Swedish Presidency in November 2009.

B. “Combating Illegal Employment Practices” conference (organised by the French Presidency)

Jean-Denis Combrexelle, Director General of Labour, opened the conference on combating illegal employment practices in Marseilles on 13 October, which was attended by Deputy Minister of Labour and Social Affairs Marian Hosek of the Czech Republic and General Labour Inspector Tadeusz Jan Zajac of Poland. This conference was a **follow up to the European Council resolution of 20 October 2003 on transforming undeclared work into formal employment** and the proposals emerging from the Commission’s 24 October 2000 communication on stepping up the fight against undeclared work within the European Union. It aimed to **promote and deepen European cooperation** in order to adapt oversight resources to the geographic mobility of workers and the cross-border nature of employment relations and to achieve convergence of the action taken by Member States in the area of employment.

It was observed that the growth of cross-border service provision and worker mobility, under conditions of healthy competition and in compliance with the law, calls for adaptation of the system used to oversee worker employment conditions and the companies concerned and to prevent fraudulent practices. Ways should be found to seek and promote **establishment by all Member States of effective information and communications systems** needed to verify the legality of employment conditions and social protection scheme coverage of the workers concerned under conditions ensuring speed, reliability, clarity, relevance, security and compliance with the rules governing personal data protection. These objectives can only be achieved if there is **close cooperation with businesses** and their representative organisations and with the trade union organisations.

C. “Flexicurity” Conference (organised by the French Presidency)

At the **European “Flexicurity” conference** organised with the European Commission on 13 and 14 November 2008, representatives of governments, administrations, social

partners, business, local authorities, universities (researchers, academics) and intergovernmental organisations (OECD, ILO) debated the goals and prospects of life long learning, which lies at the heart of the “flexicurity” principles adopted by the European Council in December 2007.

There are major discrepancies in access to adult training in Europe, and the training on offer is often unsuitable. It is important to adopt appropriate public policies to make vocational training more effective in securing career paths. A series of specific measures was proposed, including enabling those without a diploma to fill the gaps in their initial training and targeting those with real training needs, offering them assistance and support. More broadly, the policies defined in the “Lisbon Strategy” should be implemented.

Involving more partners in drawing up and implementing suitable public policies is key to succeeding with such an initiative. The representative of the European Trade Union Confederation in particular stressed the fact that **the solution must come not only from the traditional economic partners but also from stakeholders such as NGOs**. Success in implementing public vocational training policies and securing career paths requires access to information, understanding and participation of all concerned.

D. “Professional equality between women and men” seminar (organised by the French Presidency)

After organising an inter-ministerial conference on professional equality between women and men on 13 and 14 November 2008 in Lille, Xavier Bertrand and Valérie Létard, Secretary of State for Solidarity, invited several European ministers - Džamila Stehliková, Czech Minister in charge of Human Rights and Ethnic Minorities, Nyamko Sabuni, Swedish Minister for Integration and Gender Equality, as well as European Commissioner Vladimír Špidla - to a seminar open to civil society in order to further delve into the topic.

Recalling that **the European gender equality policy is a practical reflection of the European social model**, Xavier Bertrand and Valérie Létard stressed two **main issues: wage equality and promoting best practices of companies engaged in ensuring professional equality**. With the agreement of the European Commissioner for Employment, Social Affairs and Equal Opportunities, Vladimír Špidla, the French Presidency proposed to the Ministers that they set common objectives for reducing the gap in remuneration between women and men in Europe, define ways to achieve these objectives and report annually on results.

The French Presidency stressed the importance of corporate social responsibility in this area. Initiatives such as labels, awards and programmes highlighting best practices of companies with respect to professional equality between men and women have shown the effectiveness of setting good examples. The participants called for the creation by 2010 of a **European network of companies having made the most progress on professional equality between women and men** to enable them to share their experience. The French, Czech and Swedish Presidencies undertook to continue to work on the issue over the coming 18-month period, based on a joint work programme. A joint statement highlighting this convergence of views was published.

3. Can Europe foster social inclusion?

A. “7th European Round Table on Poverty and Social Exclusion” (organised by the French Presidency)

The 7th European Round Table on Poverty and Social Exclusion was held in Marseilles on 15 and 16 October 2008 and chaired by Martin Hirsch, the French High Commissioner for Active Solidarity against Poverty. The goal was to involve all the stakeholders in the **drafting of practical proposals for combating poverty and exclusion**. Over 300 European participants representing governments, local authorities, social partners, businesses, associations and people living in poverty attended.

The discussions were structured around the European Commission’s recommendation of 3 October 2008 that a “strategy for the active inclusion of people excluded from the labour market” be defined. This proposed strategy was based on three complementary and interconnected pillars: the guarantee of an adequate minimum income, policies to foster integration on the labour market and high-quality, accessible social services.

This work led, at the EPSCO Council on 15 and 16 December 2008, to the **adoption of the “Active inclusion strategy defined at Community level”**, a set of common active inclusion principles resting on a foundation of shared values for a Europe of solidarity, in compliance with the subsidiarity principle. Member States have primary responsibility for combating poverty and social exclusion but the European Union contributes to the mutual reinforcement of national strategies. One practical application should be to take social aspects into account in public procurement, as part of the renewed Social Agenda.

B. “The development of Social Clauses in Public Procurement” symposium (organised by the French Presidency)

Following up the 7th European Round Table on Poverty and Social Exclusion, the Directorate of Legal Affairs of the Economy and Budget Ministries organised a European symposium on the development of social clauses in public procurement on 17 October in Paris. Martin Hirsch delivered the opening address at the event, which aimed at **reviewing the current situation with regard to active inclusion** – the integration of job seekers and the disabled and the implementation of non-discriminatory policies – **in European public procurement**. He stressed that all vulnerable people, rather than targeted population groups, must be included as key elements in the development of social considerations in public procurement.

C. “Emerging Social Issues in a Changing Europe” conference (organised by the French Presidency)

The French Presidency of the European Union organised a conference on “Emerging Social Issues in a Changing Europe” on 12 November 2008 in Paris. It brought together more than 200 European experts and policy makers in the field of labour and social protection. Participants notably included Jean-Pierre Jouyet, Secretary of State for European Affairs, Nadine Morano, Secretary of State for the Family and Xavier Prats Monne representing the European Commissioner for Employment, Social Affairs and Equal Opportunities. The conference followed the Forum on the renewed Social Agenda organised by the European

Commission in May 2008, the communication of the European Commission on the renewed Social Agenda of 2 July 2008 and the informal meeting of labour ministers organised in Chantilly on 10 and 11 July 2008.

The conference focused on the need for active inclusion policies to ensure adequate incomes, active labour market policies and access to high-quality services and on the need to reinforce the ability of workers and citizens to anticipate and adapt to change. This social Europe can be achieved by **raising worker skills levels, offering workers effective access to vocational training and facilitating cross-border mobility while complying with fundamental social rights and Community law**. The **key role of inter-generational solidarity** was also stressed, especially with respect to young people entering the labour market: higher employment rates and work-life balance are imperative. The discussion of policies and instruments available to combat poverty should also reinforce social Europe.

D. “Social Experiments in Europe” meeting (organised by the French Presidency)

The French Presidency of the European Union organised, with the support of the European Commission, a meeting on social experiments in Europe on 21 and 22 November in Grenoble. The event brought together representatives of the European Commission, companies and civil society organisations. The meeting highlighted the importance of social experiments, a **method aimed at streamlining innovation in order to foster a reinforced social Europe**. In the words of the European Commissioner for Employment, Social Affairs and Equal Opportunities, “experiments serving social innovation can help us to develop more effective public policies”.

Four key ideas were put forward: **the need for reinforced cooperation to promote social experiments, the introduction of a network of excellence on social experiments, a call for Community projects to encourage cross-border experiments and a strong work programme to prepare the European Year for Combating Poverty and Social Exclusion in 2010**. Stronger involvement of Community and Member State institutions and regional and local authorities appears necessary to foster reinforced cross-border cooperation in employment integration, training and reduction of in-work poverty.

E. “Social inclusion – European experience” day (under auspices of the French Presidency)

Following up this meeting, the “Social inclusion – European experience” day took place on 5 December in Paris. The **Agir contre l’Exclusion (Act against Exclusion) Foundation**, which organised the event, brought together the European economic actors to share their experience in the area of corporate social responsibility. Several specific objectives were set: combating all forms of exclusion, particularly in sensitive urban areas, **reinforcing an entrepreneurial spirit in the social sphere, changing the image of companies that take action in favour of social inclusion**, and promoting the exchange of best practices in the social field by companies of different countries.

4. How can companies and public institutions work together to improve environmental protection and combat climate change?

A. “Conference on Sustainable Development” (organised by the French Presidency)

Eurocities² organised a conference on sustainable development on 22 October in Lyons. It brought together mayors and elected officials from a large number of European cities and was attended by French Prime Minister François Fillon, French Minister for Ecology, Energy, Sustainable Development and Spatial Planning Jean-Louis Borloo, European Commissioner for the Environment Stavros Dimas and European Commissioner for Transport Antonio Tajani.

The discussions focused on climate change and energy efficiency issues. The need to adopt an integrated approach and to ensure follow-up to the Green Paper on urban transport was highlighted. The **EUROCITIES Climate Change Declaration** was presented on this occasion. It refers to the **need to involve all actors to respond to the challenge of global warming within their territories**. Mobilising business actors was termed “essential” and will be actively pursued.

B. “The European Forest-Based Sector: Bio-Responses to Address New Climate and Energy Challenges” conference (organised by the French Presidency)

The scientific conference organised in Nancy from 6 to 8 November 2008 on “**The European forest-based sector: bio responses to address new climate and energy challenges**” was introduced by Michel Barnier, French Minister for Agriculture and Fisheries. The discussion focused on combating global warming. Forests play a decisive direct and indirect role in combating the greenhouse effect. They are also an as yet insufficiently exploited source of renewable energy. Papers presented work on carbon fixation in forests and carbon storage in wood products as well as the energy uses of wood. Experts stressed the cascade effect of the industry: standing timber captures carbon over a long cycle and wood products serve as a reservoir and at the end of their lives can be converted to energy. The priority is to **structure sustainable forest management**. The forest and wood industry therefore has an essential role to play alongside the public authorities.

The discussions aimed at providing **support for the forthcoming Kyoto Protocol post-2012 negotiations** so as to determine the role of forests and wood in mitigating climate change.

C. “Mobilise Economic Actors and Markets” conference (under the auspices of the French Presidency)

The “Mobilise Economic Actors and Markets” conference was held on 27 and 28 in Paris and organised by European Partners for the Environment. It stressed the need for **convergence and coordination of efforts to achieve the sustainable development and**

² EUROCITIES, a network founded in 1986, brings together more than 130 large cities in 30 European countries. It offers its members a forum in which to exchange ideas and experience, identify problems encountered, develop innovative solutions and organise common events and projects.

climate change objectives set by the European Union for 2020. The discussion focused on mobilising synergies through bottom-up voluntary and sectoral approaches across the chain of values. Such initiatives would meet the requirements of the EU's sustainable development strategies and fulfil the objectives with respect to climate change, sustainable consumption and production and resource efficiency that were set by the Union in the "top-down" approach.

Four actors have a **potential leverage effect on markets: public authorities, companies, investors and civil society.** They all act as investors, buyers, standards setters and trust builders, regulating and overseeing the performance of the company. An **exchange of best practices and joint improvement initiatives** should make it possible to **accelerate the transition towards a resource-efficient economy** and a well-being society for all.

The deep financial and economic crisis, climate change, security issues regarding energy and natural resources and biodiversity are the "**four big crunch**", i.e. extremely urgent, issues. **Innovative forms of partnership** should be explored: public-private partnerships across the value chain with respect to investment, purchasing, standardisation, performance evaluation, economies of scale and new governance rules for the financial sector.

The participants examined the advisability of a "**European Grenelle Environment Forum**" in 2010. Such a forum could serve to **coordinate** EU and Member State **stimulus plans**, achieve **convergence of the Lisbon and Göteborg strategies** and **bring together top-down and bottom-up initiatives** to achieve the 2020 objectives. The Grenelle Forum could take the form of a **third European "EU Objectives 2020-2050" convention**, which could be adopted in 2010 following a joint declaration by European Union governments and could involve observers from the BRICS countries in influencing cooperation agreements such as the EU-Mercosur, ASEAN and Cotonou accords.

5. Are companies sufficiently aware of the role they can play in promoting Human Rights?

A. 3rd World Forum on Human Rights (satellite event included in the French Presidency at a late date)

Inaugurated by Secretary of State for Foreign Affairs and Human Rights Rama Yade and European Fundamental Rights Agency Director Morten Kjaerum, the 3rd World Forum on Human Rights took place from 30 June to 3 July 2008 in Nantes. It brought together some 2,500 participants of more than 100 different nationalities. The theme of the second day was "What Europe for Human Rights? What Human Rights for Europe?". The event aimed to promote dialogue and exchange of best practices and also addressed the prerequisites for implementing Human Rights against a backdrop of globalisation. As part of this event, the National Advisory Commission on Human Rights worked with the International Trade Union Confederation and the Business and Human Rights Resource Centre (a group of eight businesses involved in promoting the Human Rights Charter within their companies) to organise a debate about corporate responsibility in the field of Human Rights, looking at possible avenues for regulation and legal recourse that can reinforce it.

A number of possibilities were identified: promoting and developing ethical procurement, taking into account the total cost of acquisition, developing economic partnerships with

suppliers, cooperation with local actors. **The negotiation of trade agreements by the European Union is a promising opportunity for defining rules; the need to structure the connection between national, regional and international texts and the need for exemplary public policies were emphasised.** Several recommendations were formulated, including facilitating the gathering of complaints by victims of Human Rights violations and ensuring independent and credible transparent verification of corporate CSR commitments.

B. “Business and Human Rights: Global Challenges of our Time” seminar (satellite event included in the French Presidency at a late date)

On 4 and 5 December 2008, at the instigation of the **Business Leaders Initiative on Human Rights (BLIHR)** organisation, an international seminar on “Business and Human Rights: Global Challenges of our Time” was organised in Paris on the occasion of the 60th anniversary of the Universal Declaration of Human Rights. Chaired by Mary Robinson, former President of the Republic of Ireland and former U.N. High Commissioner for Human Rights, the discussions brought together representatives of companies, NGOs, trade unions and academics. The discussions showed several key approaches that companies can take to better respond to concerns about protecting Human Rights: incorporating Human Rights in company strategy; holding an ongoing dialogue with governments, trade unions and NGOs; involvement in public-private partnerships; adoption of clear and precise standards; and **reinforcing international standards**. Particular attention was paid to the need to facilitate access to justice, an essential tool in effectively ensuring protection of Human Rights in corporate strategies.

Although it was reaffirmed that primary responsibility for protecting Human Rights continues to rest with government authorities, the participants recognised the considerable importance of business contributions to this objective. Companies can play a **decisive role in influencing public policies in developing countries and have particular responsibility in areas of weak governance**. Systematic impact studies, transparency and the adoption of clear and measurable indicators should be encouraged. The European Union can play a major role in this respect via several EU policies, notably its development cooperation policy.

Workshops addressed the more specific challenges of the right to water, the right to food, the right to health and the right to decent employment. This work identified best practices and the stumbling blocks facing companies in effectively protecting Human Rights. The workshops also examined the proposals made by United Nations Special Representative on Businesses and Human Rights John Ruggie, whose report had just been presented to the United Nations Human Rights Council in June 2008.

6. How can CSR be promoted in and by European companies?

A. “Partnership and Transparency at the heart of European Corporate Social Responsibility” conference (under auspices of the French Presidency)

The European Economic and Social Committee, the European Commission and the French Economic Social and Environmental Council organised a **European conference on corporate social responsibility, “Partnership and Transparency at the heart of**

European Corporate Social Responsibility”, on **30 October** in Paris. This conference aimed to address the following question: Does Europe have a preponderant role to play in the worldwide initiatives being developed, and if so, how should it go about it?

Xavier Bertrand, French Minister for Labour, Social Relations and Solidarity, emphasised that, building on its tradition of dialogue and its experience in transparency, the European Union aims to be an **excellence cluster** in corporate social responsibility. Corporate social responsibility has become one of the drivers of European development. It is part and parcel of the European Union’s strategy for growth and employment and its renewed Social Agenda of 2 July 2008. Corporate social responsibility is part of the endeavour to strike a balance between economic, social and environmental development and will make it possible to re-launch social Europe.

The participants, heads of companies, social partners, NGOs and representatives of Member States, European institutions and international organisations, stressed **partnership** and **transparency** as decisive factors in European added value in the field of corporate social responsibility, through **responsible production and consumption**. Transparency and reliability of information concerning actions that companies present as responsible were identified as particularly important goals. The many codes of conduct, collective commitments and communications on best practices are attracting both interest and scepticism and will continue to do so as long as evaluation and performance measurement systems remain weak and few and far between.

The French Minister of Labour, Social Relations and Solidarity **called on the European Union to work on a shared framework for non-financial**, i.e. social and environmental, **reporting** based on benchmarks for comparison. He called for the **resumption of a multi-party dialogue** bringing together all company stakeholders and **proposed that a web portal be created** to disseminate best practices. Last but not least he stressed the advantage of **involving small and medium enterprises in these efforts**.

B. “Transnational company agreements: dialogue, rights, anticipating corporate restructuring, actors” conference (organised by the French Presidency)

The **“Transnational company agreements: Dialogue, rights, anticipating corporate restructuring, actors”** conference of 14 November 2008, organised by the European Trade Union Confederation in Lyons, aimed to address methods for including more social dialogue in corporate governance and corporate social responsibility. Gilles de Robien, French Government Representative to the Governing Body of the ILO and French Ambassador for promoting Social Cohesion, represented the French government.

It was pointed out that the trade unions can sign collective bargaining agreements with companies only in those countries where they are authorised and established. The employees of companies in countries where trade unions are banned or weakly regulated often find themselves without protection. One response to this difficulty is to develop Transnational Company Agreements (TCAs) as a framework for dialogue between European multinational companies and European trade unions that may have an effect in third countries. These agreements **reinforce the social dialogue in Europe and beyond Europe, in third countries, through subsidiaries and sub-contractors**.

In July 2008, 147 transnational agreements had been signed in 89 companies employing a total of about 7.5 million people. 84% of these companies had their head offices within the European Economic Area in 2007. **The protection of fundamental rights and the development of corporate social responsibility are now an increasing focus of these agreements. Through them, non-binding corporate commitments such as charters, codes of conduct and labels often acquire normative content.**

Interestingly, more than two-thirds of these agreements cover anticipation of corporate restructuring and support during such operations; this holds out a good opportunity for social dialogue in the current international crisis.

The participants recommended **identifying the best practices upon which a legal framework could be built at European level**. Four difficulties were highlighted: the lack of a proportional representation rule in European Works Councils and European trade union federations; the uncertain role of national social partners in these agreements; the legal status of these TCAs, which currently ranges from a simple statement of principle to a binding agreement, while only those signed by national trade unions have legal effect; and finally, the lack of clarity as to dispute settlement mechanisms.

The French Presidency of the European Union stated its determination to work with the European Commission **to examine possible dispute settlement procedures** under these agreements. It encouraged the European social partners, the European Trade Union Confederation and Business Europe to continue to work on these issues. The establishment of a specific European regulatory framework would provide greater legal certainty and would foster the development of such agreements.

C. “Enterprise and Development” symposium (organised by the French Presidency)

The “Enterprise and Development” symposium organised on 9 December in Paris by the **French Development Agency** with the support of **IMS Entreprendre pour la Cité** aimed to highlight the new partnerships based on the **“social business” and “bottom of the pyramid” models** that have been set up by European companies in developing countries.

The role of private sector actors is a decisive factor in achieving the Millennium Development Goals and in particular the goal of halving poverty by 2015. Companies have substantial potential for contributing efficiently and effectively to meeting the needs of the most impoverished populations and **can contribute to fairer, more sustainable development of the countries of the South**. It is in fact in their interest to develop such business models, which enable them to expand in these countries in the long term.

A few examples of this type of CSR are the Danone company, which has partnered with the Grameen Bank in Bangladesh to develop a low-cost, nutrient-enriched yoghurt while working to promote local development, and GDF-SUEZ, which is bringing electricity to shantytowns in greater Casablanca in Morocco.

The symposium **identified avenues for partnerships involving civic organisations that could be extended to include public actors** so as to amplify the movement. The issue of ways for the European Union to support these initiatives was raised, with a focus on the relationship between these initiatives and more conventional official development assistance.

D. “1st States General on Social Responsibility” (satellite event included in the French Presidency at a late date)

On 2 October 2008 the 1st States General on Social Responsibility were held at the Economic, Social and Environmental Council, bringing together 600 participants including a number of representatives of standardisation bodies from several European countries.

The AFNOR "Sustainable Development – Social Responsibility" committee, chaired by Didier Gauthier, took the initiative of convening this meeting with Jacques Dermagne, President of the Economic, Social and Environmental Council, serving as its honorary chairman. The objective was to initiate a public debate in Europe on the draft ISO 26000 Guidelines for Social Responsibility. Michel Doucin, French Ambassador in charge of Bioethics and Corporate Social Responsibility, opened the meeting and stressed that the French government sets great store by CSR in general. ISO 26000 is an excellent **example of new modes of cooperation between multiple actors to build rules of global governance** meeting the needs of economic and social actors while embodying **the fundamental values of the European Union**.

It was recalled that the purpose of ISO 26000 is to define and clarify the concept of social responsibility and to make it applicable to all types of organisation (companies, local authorities, associations, etc.) whatever their size and location. Work on the draft has been proceeding for three years within the International Standards Organisation and has involved more than 500 experts representing over 90 countries. Each national standards body consults, as AFNOR does, the various actors concerned: representatives of governments (including local governments), industry, workers, consumers, NGOs, researchers, teachers and consultants. **The developing countries participate alongside the so-called developed countries: over half the experts come from developing countries.** In three years, an exceptional common effort has been made to clarify the concepts and help each type of organisation to take its social responsibility on board through the definition of a common terminology and provision of shared guidelines and reference points for action.

The work is also open to participation of international organisations in order to ensure consistency of ISO 26000 with international legal instruments such as the International Labour Organisation conventions and common law standards such as the United Nations Global Compact, the OECD Guidelines and the Global Reporting Initiative. 42 international organisations are taking part in the work, including the ILO, the European Commission, the OECD, the WHO and the International Organisation of French-speaking Communities.

European participation, and especially French participation, contributed to ensuring that **sustainable development was recognised as a fundamental principle of responsibility** for all organisations, and thus re-positioning social responsibility within the framework of basic international texts such as the Brundtland Report and the Rio and Johannesburg Declarations and spelling out the sharing of responsibility among the various actors within a territory. **Seven core issues** were identified in this work: governance of the organisation (including legal compliance, transparency, accountability and dialogue with stakeholders); Human Rights; working conditions and labour relations; the environment; best business practices (including the struggle against corruption); consumer issues; and social engagement.

Michèle Pappalardo, General Commissioner for Sustainable Development reporting to Jean-Louis Borloo, *Ministre d'Etat*, Minister for Ecology, Energy, Sustainable Development

and Spatial Planning, concluded the 1st States General by stressing that ISO 26000 **forms part of a basis on which the European Union should build its social responsibility practice while striving to convince and energise all countries in the world.**

Some of the work subsequently undertaken in the framework of the High Level Group of Government Representatives on CSR, which is regularly convened by the Commission, followed up the proposals that emerged from these conferences. The Multi-stakeholder Forum on CSR of 10 February 2009 also provided follow-up, with a particular focus on the need to make progress on managing corporate environmental and social reporting.