

European Multi Stakeholder Forum on Corporate Social Responsibility

Results – June 2004

final Forum report

Table of Contents

I Forum Report

Introduction

Part One – Reaffirmation of international and European agreed principles, standards and conventions

Part Two – Analysis of CSR determining factors: drivers, obstacles and critical success factors

Part Three – Future initiatives and recommendations

II Roundtable Reports

Roundtable on improving knowledge about CSR and facilitating the exchange of experience and good practice

Roundtable on fostering CSR among SMEs

Roundtable on development aspects of CSR

Roundtable on diversity, convergence and transparency of CSR practices and tools

III Forum participants and contacts

Acknowledgements

I European Multi Stakeholder Forum on Corporate Social Responsibility Report

Introduction

European and international context

At the Lisbon Summit in 2000, when setting the strategic goals for Europe, the European Council made, for the first time, an appeal on CSR, seeking contributions from businesses in meeting those goals. This was complemented by the European Council in 2001 in Gothenburg, when it decided that the EU sustainable development strategy should complete and build on the Lisbon commitment by including an environmental dimension. This recognises that in the long term, economic growth, social cohesion and environmental protection must go hand in hand.

The Lisbon Summit was also the starting point for the current EU debate, which has included the initial Green Paper on CSR (2001) and the subsequent Commission Communication on CSR (2002), and the setting up of the European Multi-Stakeholder Forum on Corporate Social Responsibility (hereafter the Forum).

The deliberations of the Forum and its Round Tables took place in this context, and in a context of EU enlargement. There was also an important international echo: in 2002, at the World Summit on Sustainable Development in Johannesburg, which resulted in the Plan for Implementation and its particular reference to the concept of CSR.

As well as these formal discussions, in many places, companies, citizens and stakeholder organisations continued to debate the roles which could be played and the action which could be taken by different actors, in securing economic, social and environmental improvements.

The Forum came at a time when there were also many other multi-sector dialogues and debates taking place at other levels, developing an understanding of how society can move forward, through new partnerships and ways of working together.

The contribution which businesses and stakeholders can make, through CSR, to these aspirations, and what the factors are which determine this contribution, are the subject of the Forum's report.

The Forum's origin, objectives, organisation and process

In July 2002, the European Commission announced its intention to establish the Forum with the aim of promoting CSR through raising the level of understanding of CSR, and fostering a dialogue between the business community, trade unions, civil society organisations and other stakeholders.

Its objective was:

With the overall aim to foster corporate social responsibility, the CSR EMS Forum shall promote innovation, transparency and convergence of CSR practices and instruments through:

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

The European Commission facilitated and chaired the Forum, which had a membership of employer's organisations, business groups, trade unions and Non Governmental Organisations (NGOs). The Forum was asked to present before summer 2004 a report about its work to the European Commission, and a framework of conclusions and recommendations.

Four theme-based Round Tables took place as part of the process, each one meeting three times:

1. Improving knowledge about CSR and facilitating the exchange of experience and good practice;
2. Fostering CSR among SMEs;
3. Diversity, convergence and transparency of CSR practices and tools;
4. Development aspects of CSR.

These Round Tables adopted some ground rules to help them in their work, including :

- exploring case examples in a spirit of mutual respect, the "no shame and no fame" rule;
- experiences were presented as far as possible by multi-stakeholder teams.

The Round Tables benefited from hearing about the practical experiences of a range of different companies, including social economy organisations / cooperatives, which have long established experience of placing CSR at the core of their business.

Each Round Table had a balanced membership made up of representatives from trade unions, NGOs, business and employers' organisations, enriched by observers from a number of European and international organisations.

Each one of these Round Tables produced a summary report to the Forum which are attached. This final report of the European Multi Stakeholder Forum on Corporate Social Responsibility builds on the learning they contain and reflects their outcomes.

What do we understand by CSR?

The starting point for the Forum's discussion was the definition of CSR provided by the European Commission.

"CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis"

Through CSR businesses contribute to sustainable development. The deliberations of the Forum have led to an enriched understanding of CSR. Our baseline understanding is:

- CSR is the voluntary integration of environmental and social considerations into business operations, over and above legal requirements and contractual obligations. CSR is about going beyond these, not replacing or avoiding them.
- The commitment of management in driving CSR forward is essential.
- CSR is about the core business activities of a company, and while companies are there to make profits, an approach which integrates environmental and social considerations and is based on dialogue with stakeholders is likely to contribute to the long-term sustainability of business in society;
- CSR is one means amongst many for achieving economic, social and environmental progress, and for integrating these concerns into business practice.
- The dialogue with relevant stakeholders adds value to the development of companies' CSR practices and tools. As employees are an integral part of a company, it is important to pay particular attention to the role of employees and their representatives and dialogue with them.
- CSR is complementary to other approaches of ensuring high environmental and social performance: there are limits to CSR, and it alone cannot be expected to ensure environmental and social improvement and that it should not be used to shift public responsibilities to companies.
- CSR is an ongoing learning process for companies and stakeholders. The development of tools and practices is work in progress. Companies need to consider their approach carefully and choose tools which suit their needs and respond well to stakeholders' expectations. They need to refine and develop their approach over time, responding to changing circumstances and expectations. Scope for flexibility, innovation and refinement are important for successful CSR.
- Convergence of CSR practices and tools is occurring on a market-led basis through voluntary bottom-up and multi-stakeholder approaches, and other drivers, and that this can achieve quality and a good balance between comparability, consistency and flexibility.
- Companies taking a CSR approach, as well as other organisations, benefit from communicating about these activities in a transparent and meaningful way. There are different ways in which this can be achieved, of which reporting is one. A company's response to the transparency challenge will depend on its activities, capacity and the needs of its stakeholders, which may be difficult to reconcile.
- The environmental, social and economic impacts of a company's activities up and down its supply chain, as well as in its own operations need consideration.
- When operating in developing countries and / or in situations of weak governance, companies need to take into account the different context and challenges, including poverty, conflicts, environment and health issues.

Part One

Reaffirmation of international and European principles, standards and conventions

Recalling the baseline understanding, and after having heard and discussed around fifty cases involving companies and stakeholders, the Forum recognises that there are a number of reference texts and instruments, which have served as a starting point or guidance for companies and stakeholders when developing their CSR approaches. The aim here is not to try to be exhaustive or prescriptive, but the Forum would like to draw attention to a number of key texts. There are other texts referenced in the Round Table reports.

Important reference texts and instruments, both developed with the involvement of business and directly addressed to them are:

- the ILO tripartite declaration of principles concerning Multinational Enterprises (MNEs) and social policy (1977, revised 2000),
- the OECD guidelines for MNEs (1976, revised 2000),
- the UN Global Compact (2000)

There are also a number of texts addressed more widely to states and governments, containing values that can inspire companies when developing their CSR, which in turn can play a role in reinforcing and making tangible the values these texts represent. The Forum highlights the following texts:

- the UN Declaration on Human Rights (1948), International Convention on civil and political rights (1966), International Convention on economic, social and cultural rights (1966) - The International Bill of Rights.
- the Council of Europe Convention for Protection of Human Rights and Fundamental Principles (1950),
- EU Charter of Fundamental Rights (2000)
- Council of Europe Social Charter (1961, revised 1996)
- the ILO Declaration on fundamental principles and rights at work (1998),
- Rio Declaration on Environment and Development (1992) and its Agenda 21 (1992),
- Johannesburg Declaration and its Action Plan for Implementation (2002)
- UN guidelines on consumer protection (1999)
- The EU Sustainable Development Strategy, as adopted by the European Council at the Gothenburg Summit (2001)
- Aarhus Convention on access to information, public participation in decision making and access to justice in environmental matters (1998)

Many companies or groups of companies involved in CSR take account of these texts explicitly when developing their CSR policies, practices and tools. They build on them or elaborate internal rules to implement them. Others, especially SMEs, may do so implicitly. What is important, is the concrete and effective contribution to the overall implementation and reinforcement of fundamental values and principles and sustainable development which CSR can make.

Part Two

Analysis of CSR determining factors: drivers, obstacles and critical success factors

Each of the Round Tables has, from its discussions and debates catalysed by presentations and case examples, identified the factors which for its particular topic, determine the take-up and development of CSR. This part of the Forum's final report brings together the most important determining factors, drawing on the Round Table reports, and briefly discusses them. They are not presented in any order of priority.

The determining factors may be internal to a company, or external. They may be related to the business case for CSR, or to what has been called the values case for CSR. They may be related to the overall context of the desire for sustainable development, and associated activity by public bodies and civil society organisations to encourage this, as well as by businesses themselves.

It is important to note that the relevance of these determining factors may vary, according to the size, age, activity of the company, and its geographical, political or cultural context. Particularly in the case of SMEs, what may be determining factors for some are not necessarily equally important for all. Some will more relevant to owner-managers, and some to others working in the business. It is also the case that something which is seen as an obstacle may be seen in other circumstances as a driver or a success factor.

Some of the determining factors apply to the overall take-up and approach to CSR. Others apply to the choice of particular tools or practices, once a company has decided to take a CSR approach.

Drivers

Internal drivers

Although this section of the report summarises the key learning about internal drivers in general, it is recognised that the significant drivers will vary from business to business, depending on factors such as the reasons for the initial creation of the organisation, its internal culture and strategy. They will also manifest themselves differently, depending on the context in which the business is operating.

The values and commitment of key decision makers are an internal driver. There are situations where senior decision makers decide that it is 'the right thing to do', to reinforce and integrate environmental and social values regardless of whether there is a carefully weighed up business case.

The other internal drivers are related to the business case – minimising risk, maximising opportunity - although it is often easier to set out this case 'in principle' than to find hard evidence to back it up. In the longer term, business success and where relevant shareholder value will, it is argued, be better delivered by those companies which are contributing to sustainable development.

- Reducing costs through eco-efficiency;
- Protecting or enhancing the resources (environmental or human) on which the business depends;
- Anticipating, avoiding and minimising risk and the associated costs;

- Anticipating costs (including insurance costs), societal and stakeholder expectations customer demands, and future legislation;
- Retaining the “license to operate”;
- Differentiating from, and gaining an edge over, competitors;
- Protecting, building and enhancing reputation particularly for branded and business to consumer companies;
- Attracting and retaining skilled and motivated employees;
- Learning and innovating, improving quality and effectiveness;
- Being an attractive prospect for investors;
- Improving relationships with stakeholders.

External drivers

As understanding of the impact of business on the environment and on society has developed, so society’s expectations of business practice have also developed. These expectations show themselves in a number of ways, as different parts of society directly and indirectly incentivise or promote some approaches or provide disincentives for others, with the aim of improving the environmental and social impact of businesses.

These signals come from different players, including

- Investors – seeking to invest in line with their own values, or in line with an expectation that companies with a CSR approach will be better investments;
- Consumers and others in the supply chain – choosing one product, service or company over another on the basis of their understanding of its environmental or social credentials;
- Public authorities – through a range of mechanisms including promotion and information provision, their own role as purchasers, regulatory and fiscal signals;
- NGOs - monitoring and assessing the environmental and social impact of business and campaigning for improvements;
- Trade unions – seeking to influence company behaviour through mechanisms such as collective agreements;
- Other companies, business networks, intermediaries and supply chains – cooperatively through sharing experience, developing a shared understanding of better approaches and expectations, providing external benchmarks and challenging practices in business to business relationships.

Obstacles

Whether perceived or real, the key obstacles all relate to the choice which a company will make about whether there is a net benefit in taking a CSR approach, and adopting a particular CSR practice or tool.

- Adopting a CSR approach involves continuous effort and adaptation. There may be costs, such as the time and investment needed to plan and implement new ways of doing things. Evidence for the benefits of particular CSR tools and practices, or for CSR in general, remains in some cases elusive and generally poorly available (aside from eco-efficiency benefits). For smaller companies in particular, even when there are net benefits in prospect, there may not be the resources available to deploy, or other more immediate pressures and competing priorities may mean that CSR is not pursued.

- A steep learning curve - a new set of jargon to be made concrete to their circumstances or translated into business language, a new way of doing things, additional records to be kept, a new set of organisations and people to interact with. The CSR agenda is very broad, and there may be a lack of useful information or examples of what others have done. The company, particularly SMEs, may lack the skills, resources or experience to move forward.
- Obstacles to obtaining help - some companies may be reluctant to seek help, unsure about the organisations which are offering help, or unable to find suitable sources of help.
- CSR can be a complex and uncertain area, taking in impacts and influences across the environmental and social field as well as the economic, and suggesting an approach which favours engagement and dialogue with relevant stakeholders;
- Unclear boundaries and the need to clarify them - what parts of the organisation, which issues, where geographically, how far out into the supply chain, how far does responsibility extend when causes are multiple or indirect? Stakeholders may need to be identified, complex, on-going communication mechanisms established, and conflicting priorities and interests understood.
- Identifying or developing tools or practices, which suit the company's particular and changing circumstances, and are effective and credible.
- Collecting information and ascertaining its reliability;
- Filling gaps in awareness and understanding, especially in international supply chains, or international companies, in order to move forward.
- Weak or absent public governance and the rule of law, weak infrastructures, poorly resourced and developed local stakeholder capacity and civil society, limited possibilities for partnership, low or short-termist consumer, customer or investor interest, mean that it is even more challenging to establish effective and credible CSR.
- The time it takes to align activities around the values and business case for CSR, particularly within complex companies. In the meantime, there may be conflicting actions, particularly when margins are narrow or reputational factors are not so important to a company.
- The particular language of CSR, may need to be adapted and made concrete, particularly for SMEs.

Critical Success Factors

The four Round Tables identified some critical success factors for credible and effective CSR, including:

- Commitment from key people – directors, owners, senior managers;
- Ensuring that the values and vision of the CSR approach are integrated into the business and its culture;
- Integrating the CSR approach and any associated practices and tools, with the corporate strategy, core business, mainstream management processes and policies, and everyday operational practice. This might mean adapting existing systems, or adopting or developing new ones;
- Setting appropriate goals or targets, related to the core business, developing a staged plan for achieving them (including some quick wins), evaluating progress towards them, and communicating this appropriately;
- Communicating about the approach, strategy, aims or activities in a transparent and meaningful way. Such communication is also a way of helping to magnify the benefits

associated with drivers of CSR practice, for example through aiding learning and innovation, as well as building credibility and helping to improve relationships with stakeholders.

- Openness to learning, improvement and innovation;
- Engagement with external stakeholders - including local stakeholders in non-EU countries – understanding their views and expectations, being open to learning from them, communicating well with them about issues, goals and progress, being open about areas of agreement and disagreement and thus building a trusting relationship, where the company and its stakeholders are willing to co-operate in good faith in efforts to achieve its CSR goals, including to the extent of working in partnership together;
- Involving employees and their representatives in developing and implementing CSR, programmes, activities and initiatives;
- Sharing experience, learning from and with peers, in sectoral and multi-stakeholder initiatives or through networks, good practice examples, initiatives and benchmarking, and being willing to solve problems, innovate and improve as a result of this learning;
- The availability of easily accessible and specific advice, and appropriate, effective and credible tools and initiatives which the company can learn from when developing its own approach, use, or join in with, which are suitable to its circumstances or are flexible enough to be enable the company to learn over time, innovate and respond to circumstances.
- Particularly for developing countries, the existence of an appropriate legal environment which reinforces compliance with fundamental standards, and the presence of strong civil society organisations such as trade unions and NGOs as stakeholders and potential partners;
- A high level of awareness among consumers and investors, of the issues and companies' options in responding to them.

Part Three

Future initiatives and recommendations

In line with the objectives of the Forum, Part Three builds on the work of each of the four Round Tables and particularly the analysis of CSR determining factors, set out in Part Two of this report.

Against this background, the Forum wishes to make these recommendations, covering the three areas considered in each of the Round Table discussions:

- Raising awareness and improving knowledge on CSR
- Developing the capacities and competences to help mainstreaming CSR
- Ensuring an enabling environment for CSR

The recommendations are based on our common understanding, set out in the Introduction.

Those recommendations addressed to business are relevant to all types of companies (including SMEs and social enterprises), and will be of most immediate interest to those companies which want to take up or further develop their CSR approach. For those companies which have not yet begun this approach, we hope they will be an inspiration.

The Round Table on SMEs recognised the need to understand what motivates those SMEs which are involved in CSR; how best to reach them; how to most effectively support their internalisation of CSR; and how to promote CSR to other SMEs. The Forum has tried to take account of this in its analysis and recommendations but many were based on the available experience of larger companies. Therefore, the Forum acknowledges that in order to successfully engage more SMEs, there is a need to further reflect their realities and to enable them to progress in line with their circumstances and capacities.

Raising awareness and improving knowledge on CSR

1. Raising awareness of core values and key principles embodied in reference texts

The Forum recommends that...

- public authorities and all other stakeholders in their respective capacities and fields of responsibility increase awareness on the key principles and reference texts (examples given in Part One) and on how they have been and can be made understandable, tangible and be translated into practice. Awareness raising and promotion can take place in a variety of ways, for example via codes of practice, collective agreements, partnerships and global framework agreements. This should also include the supply chain, giving special attention to small and medium-sized enterprises.
- when fulfilling their responsibilities in relation to the texts in Part One, national, European and international public authorities co-operate closely with stakeholders in order to better understand how to promote these values and principles and how they can be taken up, implemented and monitored.
- stakeholders consider co-operating in order to learn about obstacles and success factors in translating these principles and values into practice.
- respective stakeholders work, individually and/or together, to elaborate user's guides such as those which exist from IOE or TUAC, devoted to deliver practical information

on most relevant tools and principles identified in Part One. This information should be presented in a useful and understandable way for companies, including SMEs, and other stakeholders.

2. Collecting, exchanging and disseminating information about CSR

The aim of collecting, exchanging and disseminating information about CSR is to promote and develop effective CSR practices, tools and initiatives which improve the social, economic and environmental impact of business.

The Forum recommends that...

- stakeholders contribute to this collection, diffusion and exchange of information on effective and credible CSR practices, tools and initiatives;
- in order to make such information more publicly and easily available, there be a European multi-stakeholder run internet portal, inter-linking different stakeholders enabling them to learn;
- information be also made publicly and easily available through existing stakeholder channels and sources which are close to the companies, in particular SMEs.

3. Researching and improving knowledge about and action on CSR

Although universities, business schools, stakeholder organisations, consultancy bodies, as well as the European Commission and Member States currently undertake, coordinate or promote research on CSR, there is nonetheless a lack of empirical research on CSR.

The Forum recommends that...

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

Developing the capacities and competences to help mainstream CSR

4. Enhancing the capacity of business to understand and integrate CSR

Developing and implementing CSR policies is a challenge which requires learning and innovation, and companies wishing to take a CSR approach are likely to need to enhance their capacity. It is important that there be a variety of learning opportunities for companies, and that there is a need for those which are topical, relevant and easily accessible to the company. The commitment of leaders in each organisation to integrating CSR into the business is vital to enrich decision-making processes at all levels with the aim of improving the competitiveness of the company in a sustainable way.

The Forum recommends...

- co-operation within and between companies, business organisations, and stakeholders, towards developing opportunities to learn at the level of networks, sectoral initiatives, chains of suppliers and buyers, and partnerships;
- increasing the general availability of easily accessible, ready-to-use, practical information and advice on how to secure coherent, incremental implementation of CSR within and across all functions / departments / operations / locations and enable each company to assess and learn from its own experience.
- increased exchange of experience be organised between purchasers and suppliers in order to build capacities in sustainable supply chain management, through improved understanding of global supply chain issues and responsibilities, including how purchasing practices impact suppliers and their communities. There should be particular attention to the involvement and contribution of SMEs, and notably those in the South, and to examples of partnerships with larger companies which support engagement in CSR practices.

The Forum recommends to companies striving for greater integration of CSR in their daily business operations that ...

- they adapt tools to take account of their needs, circumstances and impacts.
- they be willing to progress in their CSR efforts by examining their performance in relation to their CSR objectives, and learn from this; e.g. through key performance indicators (KPIs), impact assessment, and reporting on these achievements.
- people who work on CSR be trained in how to understand the economic, social and environmental impacts of their company.
- they focus on developing internal learning opportunities (which might include adapting everyday communications and meetings as well as formal training programmes directed towards the development of skills and competencies).

5. Building the capacity of “capacity builders”

Building on the Round Table discussions the Forum recognises that there are many organisations which can play a catalysing or support role for companies in their CSR efforts (for example business advisors, consumer organisations, investors, trade unions, media), and in some cases have a multiplier effect.

The Forum recommends that...

- such organisations develop relevant understanding, skills and capacities on CSR;

- people who work on CSR be trained to understand the economic, social and environmental impacts of relevant companies and how to support the development of best practices;
- business advisors and support organisations which wish to do so, develop know-how on effective CSR practices, to contribute to capacity building, take-up and assisting businesses in their CSR efforts;
- recognising that not all stakeholders have the resources required to take CSR initiatives forward, public authorities, companies and other stakeholders support capacity building activities.

6. Including CSR in education and the curriculum

Business schools, universities and other education institutions have an important role to play in order to build the necessary capacity for relevant CSR strategies. Their core business is indeed about education. In this capacity they need to help future managers and employees improve their capacities to coherently approach CSR. But they educate not only the business world. They are essential to improve the knowledge on CSR for everybody in our capacity as consumer, employees, stakeholder partners, etc.

The Forum recommends that...

- CSR and related topics be mainstreamed into traditional courses, in the curricula of future managers and graduate students, in executive education, and in other educational institutions.

Ensuring an enabling environment for CSR

7. Creating the right conditions for CSR

Primary responsibility rests with governments and public authorities, to ensure that the right combination of economic, environmental and social framework conditions exists to support sustainable growth and entrepreneurship, and the sustainable development of societies and economies. It is citizens and businesses which will deliver the changes in consumption and investment patterns needed to deliver sustainable development.

7.1 The European Union's Lisbon and Gothenburg strategies together provide the European framework for sustainable development of society and economies, aiming to make the European Union a more competitive, dynamic knowledge-based economy, capable of sustainable economic growth with more and better jobs and greater social cohesion, delivering a cleaner, safer and healthier environment.

The Forum recommends that...

- EU institutions and governments step up their efforts towards a more co-ordinated policy approach, and that they implement the Lisbon goal and Gothenburg strategy;
- public authorities ensure that there is both a legal framework and the right economic and social conditions in place to allow companies which wish to go further through CSR, to benefit from this in the market place, both in the EU and globally.

7.2 When companies develop their CSR approaches, it is important that they take into account their nature, size, activities and location as well as costs, capacities and other competitive concerns, and the expectations of stakeholders, in order to further improve their environmental and social performance in an innovative manner.

Trust and credibility in CSR are enhanced through transparency and open communication which in turn can contribute to learning, organisational processes, management performance and successful CSR practices. Therefore the challenge of transparency exists not solely for companies but for all organisations.

There are a variety of processes to ensure credibility of CSR practices, including for example reporting, dialogue and partnering with stakeholders, monitoring and communication of progress and results, and a variety of tools including on-line communication, internal / external auditing etc. The Forum notes that for trade unions and NGOs, transparent CSR reporting is a particularly important process in providing meaningful information, a clear record of CSR development and assessing credibility (see Round Table Transparency Report section 3 and 4 for more detail).

Drawing on the experience of companies with well-developed transparency and communication policies, the Forum recommends...

- that companies explore the most suitable channels of communication for them with a view to ensuring that information reaching different stakeholders is meaningful and credible to them;
- having a clear commitment and strategy from the top towards transparency and communication on CSR, ensuring that roles and tasks for developing method and processes are clearly defined and assigned;
- identifying what items are pertinent with regard to the company's vision and specific objectives, the risks and opportunities associated with its environmental and social footprint, the views of relevant stakeholders, the commercial sensitivity of certain data, and other possible competitive concerns;
- identifying and improving appropriate performance criteria and where relevant drawing inspiration from existing tools or making use of any of the many transparency frameworks currently available;
- collecting and using information to ensure a better understanding of the complexity of managing certain CSR issues and sometime conflicting expectations;
- considering the risks, opportunities and costs of suitable tools and / or systems to improve the robustness and assure the quality of data;
- developing a continuous learning process whereby the company can evaluate the overall impact of its practice, track changes in stakeholders' expectations, and share its experience with others.

These points can also be useful guidance for other organisations, not just companies, according to their particular roles, responsibilities and impact.

7.3 As long-term non-financial factors are being taken into account by more and more investors including through Socially Responsible Investment (SRI), which is thus an increasingly important driver of CSR, **the Forum recommends that...**

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

8. Developing stakeholder dialogue

The spirit of constructive dialogue is very important in furthering the aims of CSR.

The Forum recommends that...

- companies and stakeholders contribute to constructive dialogue from the development stage of companies' CSR activities on goals and progress thereby adding value to these activities;
- for successful dialogue to take place there need to be clear understanding of roles and expectations, and a willingness to pursue innovative, inclusive and dynamic co-operation and / or partnerships in good faith;
- since they are an integral part of the company and are key players in realising CSR, dialogue with employees and trade union / worker representatives at company level is particularly important. Dialogue at other levels may also be relevant.
- companies and stakeholders engage in dialogue at a local level on relevant issues, to ensure that local realities and concerns are understood and taken into account;

9. The role of public authorities / EU

The EU has a key role in promoting sustainable development within Europe and on the wider global stage. Through CSR companies can make a contribution to sustainable development. The EU and public authorities have a role in enabling this.

The Forum recommends that...

- EU institutions and governments be consistent across policy areas, taking a lead in moving towards the goal of sustainable development, both within Europe and at a global level, in particular through appropriate trade and development policies and international agreements, thereby setting a context for CSR;
- EU institutions and governments encourage and assist all countries to ratify and implement international conventions protecting human and social rights and the environment.
- as it is a clear responsibility of national governments to promote democracy and human rights, governments provide the appropriate legal framework for protecting human, social and economic rights of citizens, and a climate conducive to economic, environmental and social progress particularly in developing countries;
- public authorities at different levels (EU, national, regional and local) recognise their contribution to driving CSR, alongside others, and in cooperation with stakeholders, assess and strengthen their role in raising awareness of, providing information on, promoting, and supporting the take-up, development and innovation of effective CSR, and the development of environmentally and socially responsible products and services;
- EU and / or Member States consider and evaluate how to use public funds in the most responsible and effective manner, taking into account environmental and social, as well as economic considerations.
- public authorities examine their practices, know their social, environmental and economic impacts and disseminate best practice on their role as organisations, for example as employers and consumers.

Final remarks

The recommendations above are mutually reinforcing and as a whole set out a way forward for CSR in the EU. The Forum looks forward to seeing progress in the areas of these recommendations and invites all actors to contribute to this. The Forum asks the Commission to reflect on how to support these recommendations in forthcoming communications.

The Forum invites the Commission together with stakeholders, to convene an initial shared review in two years time of progress made in relation to the Forum's recommendations, and of the trends, developments and innovations in CSR.

II Roundtable Reports

see http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR_Forum_roundtables_reports.htm

III Forum participants and contacts

to be completed

Acknowledgements

to be completed

----ends-----