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on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Committee on Employment and Social Affairs

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(*) Associated committee – Rule 50 of the Rules of Procedure

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(*) Associated committee – Rule 50 of the Rules of Procedure

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery

(2012/2097(INI))

The European Parliament,

- having regard to Articles 5, 12, 14, 15, 16, 21, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 36 of the Charter of Fundamental Rights of the European Union,
- having regard to the European Social Charter, in particular Articles 5, 6 and 19 thereof,
- having regard to the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work, adopted in 1998, and to the ILO conventions establishing universal core labour standards with regard to: the abolition of forced labour (Nos 29 (1930) and 105 (1957)); freedom of association and the right to bargain collectively (Nos 87 (1948) and 98 (1949)); the abolition of child labour (Nos 138 (1973) and 182 (1999)); and non-discrimination in employment (Nos 100 (1951) and 111 (1958)),
- having regard also to the ILO conventions on labour clauses (public contracts) (No 94) and on collective bargaining (No 154),
- having regard to the ILO's Decent Work Agenda and Global Jobs Pact, adopted by a worldwide consensus on 19 June 2009 at the International Labour Conference,
- having regard to the Declaration on Social Justice for a Fair Globalisation, adopted by consensus of the ILO's 183 member states on 10 June 2008,
- having regard to the Universal Declaration of Human Rights (1948) and to other United Nations instruments in the field of human rights, in particular the International Covenants on Civil and Political Rights (1966) and on Economic, Social and Cultural Rights (1966), the International Convention on the Elimination of All Forms of Racial Discrimination (1965), the Convention on the Elimination of all Forms of Discrimination against Women (1979), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990) and the Convention on the Rights of Persons with Disabilities (2006),
- having regard to the UN Women's Empowerment Principles launched in March 2010, which offer guidance on how to empower women in the workplace, marketplace and community and are a result of collaboration between UN Women and the United Nations Global Compact;
- having regard to the Consistency Project, a collaborative project by the Climate Disclosure Standards Board (CDSB), the Global Reporting Initiative (GRI), the Organisation for Economic Cooperation and Development (OECD) and the United

Nations Conference on Trade and Development (UNCTAD) which is designed to support greater consistency of approach in relation to the demand for and supply of corporate climate-change-related information;

- having regard to the UN Guiding Principles on Business and Human Rights and to the Foreign Affairs Council conclusions of 8 December 2009¹,
- having regard to the OECD Guidelines for Multinational Enterprises, updated in May 2011,
- having regard to the OECD's 1997 Anti-Bribery Convention,
- having regard to the Global Reporting Initiative,
- having regard to the formation of the International Integrated Reporting Council (IIRC),
- having regard to the Danish Financial Statements Act (2008),
- having regard to the UN Global Compact,
- having regard to the October 2010 study produced for the Commission on governance gaps between international corporate social responsibility instruments and standards and existing European legislation (known as the 'Edinburgh Study')², the findings of which were reported in Parliament's 2011 Annual Human Rights Report³ and which has been fully endorsed by the European Council;
- having regard to paragraphs 46 and 47 of the outcome document of the 2012 Rio+20 World Summit on Sustainable Development,
- having regard to the UN Principles for Responsible Investment (UNPRI),
- having regard to International Standard ISO 26000, providing guidelines for social responsibility, which was released on 1 November 2010,
- having regard to 'Green Winners', a 2009 study of 99 companies⁴,
- having regard to the formation of the European Multi-stakeholder Forum on Corporate Social Responsibility, launched on 16 October 2002,
- having regard to Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts⁵,

¹ <http://www.business-humanrights.org/SpecialRepPortal/Home/Protect-Respect-Remedy-Framework> and http://www.consilium.europa.eu/uedocs/cms_data/docs/pressdata/EN/foraff/111819.pdf

² http://ec.europa.eu/enterprise/policies/sustainable-business/files/business-human-rights/101025_ec_study_final_report_en.pdf

³ Texts adopted, P7_TA(2012)0126.

⁴ <http://www.atkearney.com/documents/10192/6972076a-9cdc-4b20-bc3a-d2a4c43c9c21>

⁵ OJ L 134, 30.4.2004, p. 114.

- having regard to the Commission’s proposal for a directive of the European Parliament and of the Council on public procurement (COM(2011)0896);
- having regard to Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters¹, which superseded the 1968 Brussels Convention save as regards relations between Denmark and other Member States,
- having regard to the Council Resolution of 3 December 2001 on the follow-up to the Green Paper on corporate social responsibility²,
- having regard to the Council Resolution of 6 February 2003 on corporate social responsibility³,
- having regard to the Commission communication entitled ‘Promoting decent work for all – The EU contribution to the implementation of the decent work agenda in the world’ (COM(2006)0249) (the Commission communication on decent work),
- having regard to the Commission communication entitled ‘Modernising Company Law and Enhancing Corporate Governance in the European Union – A Plan to Move Forward’ (COM(2003)0284) (the Corporate Governance Action Plan),
- having regard to the Commission communication entitled ‘Trade, Growth and World Affairs – Trade Policy as a core component of the EU’s 2020 strategy’ (COM(2010)0612),
- having regard to the Commission communication entitled ‘“Responsible Businesses” package’ (COM(2011)0685),
- having regard to the Commission communication entitled ‘Towards a job-rich recovery’ (COM(2012)0173),
- having regard to the Commission communication entitled ‘Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation’ (COM(2011)0682),
- having regard to the Commission communication entitled ‘Europe 2020 – A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission communication entitled ‘Strategy for equality between women and men 2010-2015’ (COM(2010)0491),– having regard to its resolution of 30 May 2002 on the Commission Green Paper on promoting a European framework for corporate social responsibility⁴,
- having regard to its resolution of 13 May 2003 on ‘the Communication from the

¹ OJ L 12, 16.1.2001, p. 1.

² OJ C 86, 10.4.2002, p. 3.

³ OJ C 39, 18.2.2003, p. 3.

⁴ OJ C 187 E, 7.8.2003, p. 180.

Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development'¹,

- having regard to its resolution of 13 March 2007 on ‘corporate social responsibility: a new partnership’²,
 - having regard to its resolution of 25 November 2010 on corporate social responsibility in international trade agreements³,
 - having regard to its resolution of 16 June 2010 on EU 2020, which stated that there is an inextricable link between corporate responsibility and corporate governance⁴,
 - having regard to its resolution of 20 November 2012 on ‘Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation’⁵,
 - having regard to the opinion of the European Economic and Social Committee of 24 May 2012 on the Commission communication entitled ‘A renewed EU strategy 2011-14 for Corporate Social Responsibility’⁶,
 - having regard to the Commission communication entitled ‘A renewed EU strategy 2011-14 for Corporate Social Responsibility’ (COM(2011)0681),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committees on Legal Affairs, on Foreign Affairs, on Development, on International Trade and on Culture and Education (A7-0023/2013),
- A. whereas the term corporate social responsibility (CSR) must not be misused to redefine internationally agreed minimum applicable standards, but used to seek to gauge the implementation of those standards and better to understand how they can be made readily and directly applicable by businesses of every size;
- B. whereas the concept of CSR typically used in the EU institutions should be regarded as largely indistinguishable from the related concepts of responsible or ethical business, ‘environment, society and governance’, sustainable development and corporate accountability;
- C. whereas the multi-stakeholder approach must remain the cornerstone of all EU-backed initiatives on CSR, and the basis of the most credible CSR undertaken by business itself, starting from the local level;

¹ OJ C 67 E, 17.3.2004, p. 73.

² OJ C 301 E, 13.12.2007, p. 45.

³ OJ C 99 E, 3.4.2012, p. 101.

⁴ OJ C 236 E, 12.8.2011, p. 57.

⁵ Texts adopted, P7_TA(2012)0429.

⁶ OJ C 229, 31.7.2012, p. 77.

- D. whereas the Global Reporting Initiative has provided by far the most widely accepted methodology internationally for business transparency and whereas the formation of the International Integrated Reporting Council (IIRC), involving the major global accountancy standard-setting bodies, indicates that corporate sustainability reporting integrated into financial accounts will become the global norm within less than a decade;
- E. whereas ground-breaking work by the Prince's Accounting for Sustainability Project, by TEEB (The Economics of Ecosystems and Biodiversity) for Business and by the United Nations Environment Programme has now made it possible for business fully and accurately to understand the monetary value of its external social and environmental impact and thus to build this into the financial management of companies;
- F. whereas there has been a sea-change in the investment community, with 1 123 investors (representing USD 32 trillion in total assets under management) endorsing the UN Principles of Responsible Investment (UNPRI); whereas the European Sustainable Investment Forum estimates that the global socially responsible investment market reached approximately EUR 7 trillion as of September 2010, and whereas 82 investors headed by Aviva Global Investors and representing USD 50 trillion in total assets under management led the call at the UN Summit for Sustainable Development for corporate sustainability reporting to be made mandatory;
- G. whereas the formation of the European Multi-stakeholder Platform on CSR, the undertaking of a series of pilot and research projects and the activities of the former Alliance for Business have all established a firm track record for European action in the field of CSR, together with the continuing valuable contribution made by a 'family' of European CSR organisations including CSR Europe, the European Academy of Business in Society (EABIS), the European Sustainable Investment Forum (Eurosif) and the European Coalition for Corporate Justice (ECCJ);
- H. whereas certain common standards for CSR are essential, whereas differences in materiality also necessitate differentiated approaches by industry and whereas, in a free society, CSR can never make charitable action compulsory, which could reduce people's willingness to give;
- I. whereas company codes of conduct have played an important role in initiating CSR and raising awareness of it, but are an insufficient response given the frequent lack of specificity, the lack of consistency with existing international standards, examples of avoidance of material issues and the lack of comparability and transparency in application;
- J. whereas the UN Guiding Principles on Business and Human Rights were agreed unanimously in the UN with the full support of EU Member States, the International Organisation of Employers and the International Chamber of Commerce, including support for the concept of a 'smart mix' of regulatory and voluntary action;
- K. whereas the UN Secretary-General's former Special Representative for Business and Human Rights, John Ruggie, appealed to the EU Member States, as part of the CSR Conference convened by the then Swedish Presidency, to clarify and support the issue of extraterritorial jurisdiction for violations by companies in fragile third countries; whereas

his appeal was subsequently endorsed in European Council conclusions, but no action has been taken in response to it to date;

- L. whereas the Commission study of governance gaps between international CSR instruments and standards and existing European legislation, known as the Edinburgh Study, published in October 2010 and the results of which were reported in the 2011 Annual Human Rights Report, has been fully endorsed by the European Council and by Parliament;
- M. whereas the OECD Guidelines on Multinational Enterprises are the most credible international CSR standard, and whereas the update agreed in May 2011 represents a significant opportunity to advance the implementation of CSR;
- N. whereas there have been numerous international initiatives to secure sustainability reporting by business, including the requirements for Chinese state-owned businesses to report and for businesses to report on the implementation of the CSR guidelines developed by the Government of India, along with the fact that businesses have to disclose their sustainability performance as a stock exchange listing requirement in Brazil, South Africa and Malaysia and as a requirement of the Securities and Exchange Commission of the United States;
- O. whereas the Danish Financial Statements Act (2008) on corporate sustainability reporting, which contains specific additional reporting requirements in relation to climate change and human rights impact, has proven hugely popular with Danish businesses, 97 % of which are choosing to report despite the ‘comply or explain’ provision covering the first three years of the Act’s application;
- P. whereas France and Denmark are two of the four UN member state governments which have agreed to lead the implementation of the UN Rio+20 commitment to corporate sustainability reporting;
- Q. whereas the updating of the OECD Guidelines on Multinational Enterprises, led by the Netherlands, has afforded an opportunity to upgrade the visibility and status of those guidelines through the system of national contact points, ended the ‘investment nexus’ preventing their full application to the supply chain and fully integrated the UN Principles on Business and Human Rights;
- R. whereas its resolution on Europe 2020 states that there is an inextricable link between corporate responsibility and corporate governance;
- S. whereas the 2009 ‘Green Winners’ study of 99 companies showed that in 16 separate industrial sectors, companies with CSR strategies outperformed their industry average by at least 15 %, representing extra market capitalisation of EUR 498 million (USD 650 million) per company;
- T. whereas the 2012 Global CEO Survey shows that business recognises that growth necessitates working closely with local populations; whereas, for example, over 60 % of those surveyed were planning to increase their investment over the next three years in helping to maintain the health of the workforce;

1. Recognises that the Commission communication is part of a series of policy statements serving to ensure that CSR is promoted more widely, is embedded in EU policies and will become an established principle for European action; calls on the Commission and the Member States to use the 2014-2020 CSR strategy as the basis for practical measures to encourage companies to become involved in CSR;
2. Stresses that an active awareness of social responsibility brings businesses greater trust and social acceptance;
3. Agrees, nevertheless, with the analysis set out in the communication to the effect that CSR practices are still largely confined to a minority of big companies, despite the direct appeals in the 2001 and 2006 Commission communications for more companies to embrace CSR; considers, however, that businesses have always become involved in the society in which they operate and that CSR can be introduced in companies of any size; notes also the need to engage SMEs in the debate on CSR, many of which adopt it on the basis of a more informal and intuitive approach that entails the minimum amount of administration and no increase in cost;
4. Draws attention to the strategic role SMEs can play in fostering the uptake of CSR, owing to their close links with the areas in which they operate; calls on the Commission to develop, in conjunction with national authorities and multi-stakeholder platforms, sector-specific arrangements for cooperation between SMEs that will enable them to take joint action on social and environmental problems;
5. Considers it regrettable that CSR continues to be focused on environmental standards at the expense of social standards, even though these are essential in order to restore a social climate conducive to economic growth and social convergence;
6. Believes that the global financial crisis carries a real risk that policy-makers, including in the EU, will suffer the effects of their own fatal short-termism, focusing exclusively on measures for narrowly defined transparency and accountability in financial markets and neglecting the urgent need for the financial sector and all industrial sectors to address the pressing and overriding challenges of environmental degradation and social disintegration in an integrated way;
7. Warns that businesses can only be sustainable in the future if they exist within a sustainable economy, and that there can be no alternative to adaptation to a low-carbon future, which also encompasses the preservation of the world's social and natural capital, a process in which CSR must play a decisive role;
8. Believes that the 'scaling up' of CSR must be improved by means of: an emphasis on global CSR instruments; fresh momentum from businesses that are leaders among their peers; company disclosure of social and environmental information; the use of appropriate guidelines; support from public administration for the creation of conditions conducive to CSR cooperation and the provision of appropriate tools and instruments, such as an incentive system; a robust impact analysis of existing CSR initiatives; support for new initiatives in the social sphere; adaptation of CSR to meet the needs of SMEs; and increasing recognition within both the business community and wider society of the huge scale of the global social and environmental challenges facing Europe and the

world;

9. Supports the Commission's intention to deepen CSR in Europe by producing guidelines and supporting multi-stakeholder initiatives for individual industrial sectors, and appeals to leading companies and associations to embrace this initiative;
10. Reiterates that CSR must move from process to outcome;
11. Welcomes the fact that the definition of CSR set out in the Commission communication, which reflects the new approach first adopted by the Commission in the Multi-stakeholder Forum in 2009, provides an indispensable opportunity for inclusion and consensus-building, and properly reflects the new consensus reached between business and other stakeholders on this issue thanks to the unanimous agreement of the UN Guiding Principles and other instruments such as the ISO 26000 guidance standard on social responsibility; welcomes the integration of social, environmental, ethical and human rights concerns into business operations; insists that the Commission must differentiate more between: (1) charitable acts by businesses; (2) social acts by businesses based on laws, rules and international standards; and (3) anti-social acts by businesses which violate laws, rules and international standards and are criminal and exploitative, such as child or forced labour, and which should be strongly condemned;
12. Reiterates that CSR must also extend to enterprises' behaviour towards and in third countries;
13. Notes with interest that the Commission has started to include references to CSR in EU trade agreements; takes the view, in the light of the key role played by corporations, their subsidiaries and their supply chains in international trade, that corporate social and environmental responsibility must become an integral part of the 'sustainable development' chapter of the EU's trade agreements; calls on the Commission to develop concrete proposals for the implementation of these CSR principles in trade policy;
14. Considers that 'social responsibility' should also respect fundamental principles and rights such as those specified by the ILO, including in particular freedom of association, the right to collective bargaining, the prohibition on forced labour, the abolition of child labour and the elimination of discrimination at work;
15. Strongly commends the contribution made by the Commissioners for Employment, for Enterprise and for Internal Market and their staff for the forward-looking and constructive approach adopted in the Commission communication; acknowledges the contribution of other parts of the Commission through the Inter-Service Group on CSR; calls, nevertheless, on the President of the Commission to provide personal leadership in the field of CSR and to ensure that there is full 'ownership' of the Commission's commitment to CSR, in particular by the Directorate-General for the Environment and those dealing with external relations;
16. Believes that CSR has to include social measures encompassing vocational training, work-life balance and appropriate working conditions; restates its belief in the 'business case' for CSR, but reiterates that, where such a case does not apply in the short term in any given situation or company, it can never be used as an excuse for acting irresponsibly

and in an antisocial manner; believes that sufficient research exists to prove the ‘business case’, and that the priority should be the dissemination of that research; calls for new research on CSR to be devoted to assessing the cumulative impact of CSR-related changes in business behaviour on efforts to deal with overall European and global challenges such as carbon emissions, water acidification, extreme poverty, child labour and inequality, and for the lessons learnt to be fed into Europe’s future input in developing global CSR initiatives;

17. Agrees with the Commission’s analysis that CSR is increasingly important for a company’s social licence to operate, given the incidence of social protest such as the anti-globalisation and Occupy movements, of social conflicts and of sometimes confrontational industrial relations; believes that the EU itself must adopt CSR as its own ‘social licence’ to pursue trade and economic benefits with other countries and regions of the world; considers, in particular, that CSR must be a core part of the EU’s trade policies;
18. Recognises that a deep flaw in CSR initiatives arises where companies which pride themselves on practising CSR manage to avoid critical interest groups or sensitive issues relevant to their business and their global supply chain; calls on the Commission, working with financial authorities and the social partners, to build on the previous work of CSR ‘laboratories’ in order better to identify how companies and their stakeholders can objectively pinpoint social and environmental issues which are ‘material’ to the business in question, and for a fair and balanced selection of stakeholders to be involved in company CSR initiatives;
19. Believes that consumers are increasingly focusing attention on companies’ CSR activities, and therefore urges companies to take a transparent approach, especially to corporate operations related to ethical, social, and environmental concerns;
20. Emphasises that CSR will only be viable if the legal provisions in force and the local tariff regulations of the social partners are upheld;
21. Notes that, in assessing a company’s social responsibility, account must be taken of the conduct of those companies forming part of its supply chain as well as that of any subcontractors;

Sustainable recovery

22. Supports the recognition, in the Commission communication, that ‘helping to mitigate the social effects of the current crisis’ and finding sustainable business models are part of enterprises’ social responsibility; calls on the Commission and the Member States to help businesses, in cooperation with workers’ representatives, to become involved in CSR; calls on businesses to consider initiatives aimed at preserving and creating jobs, especially for young people and women, in all areas of activity (such as management and training, markets, staffing, the environment and society), with special regard to those affected by multiple disadvantages, such as Roma and disabled people, and at recruiting not only rank-and-file workers but also senior management staff from the local labour market and establishing, for example, a system that would enable university graduates to undertake quality internships in order to gain the work experience needed by employers in the

private sector;

23. Considers that enterprises should be involved in solving social problems aggravated by the economic crisis, such as lack of housing and poverty, and in the development of the communities in which they work;
24. Recognises that the economic crisis has been accompanied by a rise in the casualisation of employment, especially for women, by differences in working conditions, which arise partly as a result of subcontracting, by enforced part-time working for many who aspire to full-time jobs and by a rise in work and labour practices that are sometimes exploitative and a resurgence of the informal sector; calls on the Commission and the European Multi-stakeholder Forum specifically to examine the growth of subcontracting; urges that this work be informed by the UN Guiding Principles applicable to the supply chain and in particular to the concept of impact assessment irrespective of different tiers of supplier;
25. Notes that compliance with legislation on physical working conditions, the development of procedures and policy on recruitment and dismissal, the protection of workers' data and privacy and the timely payment of remuneration and other benefits are also part of CSR, and calls for these aspects to be respected;
26. Recognises that the crisis is having an effect on the social fabric; welcomes the range of steps taken by certain businesses to incorporate vulnerable and disadvantaged groups into the job market; requests companies to keep up with this type of initiative; stresses, however, that business closures and retrenchment are jeopardising some of the gains made through CSR, such as the employment of vulnerable groups within society, in particular people with disabilities, improving the training and status of these workers, promoting innovative new forms of socially useful production and services, for example through credit unions, and promoting new models of employment through social businesses, cooperatives and fair trade; considers that it is therefore essential to determine benchmarks for social measures; calls on the Commission to undertake a major analysis of the social impact of the crisis on these initiatives, incorporating a gender-based approach and a focus on the countries of southern Europe, and to consult fully with the social partners and with CSR stakeholders on its outcome;
27. Believes that CSR actions do not just benefit society as a whole, but also help a company to improve its image and raise its standing in the eyes of potential consumers, thus enabling it to be economically viable in the long term;
28. Notes that the establishment of skills development and lifelong learning programmes for workers, regular individual assessments of workers and a talent management programme, as well as the setting of individual business and development goals for workers, increases their motivation and commitment and is an essential part of CSR;
29. Points out that, particularly in times of crisis, companies operating in accordance with CSR principles should help to develop the innovative capacities of their region by introducing innovative and environmentally friendly technological solutions in production facilities and through new investments and modernisation; emphasises that the integration of environmental concerns such as biodiversity, climate change, resource efficiency and environmental health into business operations has the potential to promote a sustainable

recovery;

30. Believes that the financial crisis may in some cases have shaken employee confidence in company obligations to meet long-term private pension entitlements, taking into account differences among pension systems in the EU, following the crisis; invites responsible companies to address this problem in conjunction with the Commission and the social partners, including by establishing open, inclusive and rules-based arrangements for managing pension investments, and as part of the wider challenge within CSR to address active ageing in an era of demographic change; notes that the restoration of trust between employees and companies is essential if there is to be a sustainable economic recovery;

International organisation and multi-stakeholder approaches

31. Strongly commends the emphasis given in the Commission communication to strengthening and implementing international standards, and – in view of the 2011 update of the OECD Guidelines and agreement of the UN Guiding Principles – believes that a major emphasis of EU action must now be on support for, and the implementation of, those guidelines and principles among European business; stresses that the OECD Guidelines have been defined and acknowledged at the international level in order to establish and maintain a level playing field while fostering open, fair and responsible business practices worldwide; suggests to the Commission that it report annually to both Parliament and the Council on the implementation of the OECD Guidelines in the EU;
32. Emphasises the importance of framing Union CSR policies in line with international standards, so as to avoid disparate national interpretations and any risk of competitive advantages or disadvantages emerging at national or international level;
33. Insists that each of the 27 Member States must accelerate the revision of its national action plan on CSR, and the development of national plans implementing the relevant OECD Guidelines and UN Guiding Principles, which should be finalised by December 2013 at the latest; considers that the Member States should ensure that these plans are drafted with the participation of all relevant stakeholders, including NGOs, civil society, trade unions, employers' organisations and national human rights institutions (NHRI); calls on the EU to facilitate learning from the experience of those Member States which are currently undergoing this process; encourages the Member States to draw inspiration from the guidelines contained in the ISO 26000 standard, the most recent version of the Global Reporting Initiative guidelines and the guidance developed by the European Group of National Human Rights Institutions;
34. Calls for greater policy coherence to be established at EU level by bringing public procurement, export credit, good governance, competition, development, trade, investment and other policies and agreements into conformity with the international human rights, social and environmental standards laid down in the relevant OECD and UN guidelines and principles; calls, in this connection, for efforts to cooperate with bodies representing employees, employers and consumers while drawing on relevant NHRI advice, such as the submission of the European Group of National Human Rights Institutions to the Commission on human rights and procurement; calls for meaningful and adequate impact assessments of legislative proposals for potential incoherence with

the UN Guiding Principles, and insists on coordination with the UN Working Group on Business and Human Rights in order to avoid disparate and inconsistent interpretations of those Guiding Principles;

35. Welcomes, in particular, the inclusion of the ICT sector in specific European guidelines on business and human rights; recognises the genuine dilemmas created by the need to protect privacy and combat criminal content, on the one hand, with the objective of defending freedom of expression, on the other, as evidenced by the recent controversy created by the anti-Islamic video posted on YouTube; calls for many more European companies to engage with the leading multi-stakeholder initiative in this respect, the Global Network Initiative (GNI), whose membership is currently dominated by US-based companies;
36. Insists that all 'finance for trade and development' offered to private-sector actors by EU investment facilities, the European Investment Bank and the European Bank for Reconstruction and Development should include contractual clauses requiring compliance with the OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, with provisions on accountability and a clear complaints mechanism; reiterates its call for the Member States to do the same with respect to the issuing of export credits to businesses;
37. Welcomes the Commission's initiative on national action plans for the implementation of the UN Guiding Principles on Business and Human Rights; calls on the European External Action Service (EEAS) to play a far greater role in helping to lead implementation at a senior level and in encouraging effective monitoring and reporting; calls for a 'peer review process' to take place between Member States in order to advance implementation; calls for the Commission and the EEAS to evaluate the implementation of the action plans and assess the action taken at EU level, and to report to the European Council and to Parliament by the end of 2014;
38. Recognises that companies increasingly operate in fragile states and that they have a duty of care to protect their staff from conflict, terrorism and organised crime; insists, nevertheless, that companies have an equal duty to ensure that security arrangements do not prejudice peace or the security of others in the places where they operate, which can open them up to accusations of complicity in human rights violations; calls on the Commission and the Member States to secure far greater adoption of the international Voluntary Security Principles and to seek the agreement of an international regulatory framework on the regulation, monitoring and oversight of the activities of private military and security companies (PMSCs);
39. Calls on enterprises and other stakeholders to engage constructively in the Commission's process for developing sector-specific human rights guidance, and to use the resulting guidance when it is complete;
40. Calls on the Commission, in particular its DG Justice, to put forward proposals for better facilitating access to justice in EU courts for the most extreme, egregious cases of human or labour rights violations by European-based businesses or their subsidiaries, subcontractors or business partners, as recommended by the UN Secretary-General's Special Representative on Business and Human Rights;

41. Notes, too, the need to develop and establish mechanisms for reporting human rights violations within individual businesses;
42. Believes that the ‘Green Matters’ study definitively demonstrates the positive link between companies pursuing CSR and achieving better financial performance as they emerge from the crisis; endorses the concept of ‘responsible competitiveness’ and emphasises that the potential market for socially and environmentally useful goods and services remains a crucial market opportunity for companies as well as meeting societal needs;
43. Shares the view of business, identified in the 2012 Global CEO Survey, that sustainable business growth necessitates working closely with local populations, governments and business partners and investing in local communities; supports and calls for the intensification of business initiatives connected with job creation, training, helping to manage resource constraints and contributing to health solutions;
44. Calls on the Commission, in particular its DG Trade, to move from a ‘passive’ to an ‘active’ approach to the OECD Guidelines, inter alia by applying to adhere to the OECD Declaration on International Investment and Multinational Enterprises, which includes the OECD Guidelines, ensuring the promotion of, and continuous support for, the OECD Guidelines by the EU’s Delegations in third countries, funding capacity-building initiatives in conjunction with businesses, trade unions and civil society in third countries in relation to the implementation of the Guidelines, and ensuring that the Guidelines are specifically cited in all new agreements between the EU and third countries, including all trade and investment treaties; calls for the EU to mount a major diplomatic effort to persuade more countries internationally to become signatories and to provide civil society groups with concrete support for raising ‘specific instances’ of alleged breaches, in cooperation with Member States;
45. Believes that CSR can be an important tool to help the EU support the implementation of International Labour Organisation (ILO) conventions internationally; calls on the Commission to support European organisations and social partners seeking to undertake pilot projects in accordance with the OECD Guidelines and other international CSR standards with a view to building capacity in third countries; asks the Commission to set a specific target for the negotiation and conclusion of new framework agreements on CSR-related issues and to invite the social partners to conclude these agreements within the context of their new sector-based approach to CSR; invites the Commission, in particular its DG Employment, to integrate labour standards into CSR by conducting pilot projects on decent work in conjunction with third-country governments;
46. Agrees with the Commission communication entitled ‘A renewed EU strategy 2011-14 for Corporate Social Responsibility’ that ‘respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting [corporate social] responsibility’; believes that CSR should complement, but in no way replace, existing legislation, collective bargaining and dialogue with workers organised in trade unions; believes that companies should commit themselves to discussing their CSR policy – and elements such as an annual company report on the social and environmental impact of

their activities – with employees and their representatives; believes that an optional set of rules for EFAs should be adopted on the basis of the possible content of such a framework, as described in the Commission’s staff working document on that subject;

47. Calls for the EU, and in particular the Commission:

- (1) to ensure that the topic of CSR and human rights features among the priorities of individual financial instruments under the new multiannual financial framework (MFF) for the 2014-2020 period; and
- (2) to develop specific support under the EIDHR for training and overall capacity-building in the area of CSR and human rights for civil society organisations, NHRIs, human rights defenders, trade unions and other human rights organisations;

48. Welcomes the fact that some in the business sector used the UN Rio+20 summit to advocate a new global convention on corporate responsibility within the UN system; believes that although such a convention is probably some years away, the EU should constructively engage in the debate; believes, nevertheless, that such discussions must not distract policy-makers in business and government from proceeding with the implementation of existing CSR instruments as a matter of urgency; draws attention to the fact that there are different models for how new forms of global governance in relation to CSR might emerge in addition to the UN system, for example by promoting the growth of the OECD Guidelines among non-members or through a free-standing initiative by like-minded governments; calls for the EU, the Commission and the Member States to develop and advocate specific proposals for a concrete and verifiable business contribution to be agreed as part of the proposed UN sustainable development goals post-2015;

Public policies for CSR

49. Endorses the view, dating from the first report of the Multi-stakeholder Forum in June 2004, that public authorities can play a significant role by using their convening and incentivising functions to advance CSR, not least in public procurement, and calls on the Member States, through the High Level Group and other channels, to give a major new impetus to such efforts;
50. Requests that where the EU or its Member States are partners of business (e.g. in the context of public procurement, state-owned enterprises, joint ventures, export credit guarantees and large-scale projects in third countries), consistency with the OECD and UN guidelines and principles be a priority which is reflected in specific clauses carrying consequences for companies that blatantly violate social, environmental and human rights standards;
51. Stresses the importance of the UN ‘Protect, Respect and Remedy’ framework and considers that its three pillars – the state’s responsibility to protect against human rights violations, businesses’ responsibility to respect human rights, and the need for more effective access to remedies – should be supported by appropriate measures to enable their implementation;

52. Emphasises that, given the size of their share of international trade, European companies and their subsidiaries and subcontractors play a key role in the promotion and dissemination of social and labour standards worldwide; acknowledges that grievances against EU companies operating abroad are often more usefully solved in situ; commends the OECD national contact points as state-based non-legal mechanisms that can mediate over a broad range of business and human rights disputes; calls, however, for a greater effort by companies in developing grievance mechanisms aligned with the effectiveness criteria set out in the UN Guiding Principles, and for further authoritative guidance to be sought in internationally recognised principles and guidelines, in particular the recently updated OECD Guidelines for Multinational Enterprises, the 10 principles of the UN Global Compact, the ISO 26000 guidance standard on social responsibility and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy;
53. Welcomes the Commission's intention to amend the private international law provisions contained in the Brussels I Regulation, and in particular the introduction of the principle of 'forum necessitatis'; stresses the need further to develop effective access to remedies for victims of human rights violations resulting from corporate operations outside the EU, through reforms of the Brussels I and Rome II Regulations; calls for effective measures to remove existing obstacles to justice, such as inordinate litigation costs, by means of initiatives such as the development of minimum standards for collective redress and solutions to the problem of 'separate legal personality' for companies;
54. Calls for the development of more effective transparency and accountability standards for EU technology companies in connection with the export of technologies that can be used to violate human rights or to act against the EU's security interests;
55. Calls for the implementation of the 'know your end user' principle to ensure increased scrutiny and to prevent human rights violations from occurring either up- or downstream in supply chains and production or market flows;
56. Considers that the Member States should hold companies accountable for the adoption of principles and proactive policies in order to counter discrimination and social exclusion, to promote gender equality and to respect the fundamental rights of all;
57. Invites the Commission and the Member States, given the multi-stakeholder approach to CSR, to consider broadening observer attendance at the biannual High Level Group meetings to include observer representatives comprising the two rapporteurs from the relevant Parliament committees, representatives from the UN Environment Programme, the UN Human Rights Council and the International Labour Organisation, and one nominee each from the European business sector, trade unions and civil society, to be agreed by the coordinating committee of the Multi-stakeholder Forum;
58. Recognises that the need, pointed out in the 2001 Laeken Declaration, for the EU institutions to be brought closer to the Union's citizens is ongoing; supports, therefore, a formal examination of the 'Solidarité proposal' for an interinstitutional human resources programme in the EU institutions to facilitate the involvement of their staff and trainees in community engagement through benevolent humanitarian and positive social activities, both as part of staff training and in the form of volunteering; highlights the fact that the

proposed programme is cost-saving and highly value-adding and would help to promote and implement EU policies and programmes; urges all the Member States to include employee volunteering in their national action plans; calls for a ‘compact’ to be signed through the European Volunteer Centre (CEV) with a view to engaging civil society organisations throughout Europe in pursuit of this objective;

59. Calls on businesses to encourage their employees to do international voluntary work, with a view to promoting synergies between the public and private sectors in the development cooperation field; calls on the Commission to provide support, through the future European Voluntary Humanitarian Aid Corps, for action taken by businesses in this area;
60. Considers that the Member States should encourage companies to develop policies and put in place measures addressing the need to respect the private and family life of all their employees; believes that these policies and measures should conform to the principle of equality, and should extend to negotiations on the length and organisation of working hours, salary levels, the availability of certain practical facilities for workers, and flexible working conditions, including the nature of employment contracts and the availability of career breaks;
61. Recognises that social indicators lag behind environmental indices in terms of economic valuation and general specificity in many CSR initiatives; believes, notwithstanding the handbook on social procurement, that the EU itself has been too constrained in this area; calls for a study on ‘valuing social capital’ to give rise to a wide-ranging European-led debate on better integrating social impact into sustainable business management; supports funding for pilot projects to develop social indices, social ratings agencies and the practice of social auditing in some Member States and business sectors;
62. Welcomes the recognition of the role which must be played by public procurement in promoting CSR in practice, including access to training, equality, fair trade and the social integration of disadvantaged workers and people with disabilities, so as to provide businesses with an incentive to increase their social responsibility; considers, however, that it remains unclear how far successive amendments to EU procurement rules have actually been taken up by public authorities and what overall impact has been achieved in terms of improving the environmental and social performance of business and incentivising CSR; calls for further research and impact assessments leading to clear recommendations with a view to providing easily understandable incentives to business; asks that this include analysis of the growing practice of businesses building CSR clauses into their own private purchasing i.e. in business-to-business contracts, and calls for the identification of good practice in this area;
63. Encourages the use of information communication technology and of the social media to encourage those interested globally to take a more active part in multi-stakeholder consultations;
64. Commends the Member States for their considerable efforts to develop and implement national action plans on CSR in consultation with national multi-stakeholder platforms in many EU countries; expresses concern, however, that a wide range of public policy measures has yet to yield significant visible impact in advancing CSR; calls for there to be greater research into, and evaluation of, public policy measures relating to CSR at the

European level; calls for the Commission itself to lead by example as a responsible employer by publishing its own CSR report in accordance with the GRI's Public Sector Supplement, offering Commission staff 'matched' time off to pursue employee volunteering initiatives and reviewing the use of pension fund investments according to ethical criteria;

65. Calls for the European Year of Citizenship 2013 to include a specific strand on business citizenship, inviting entrepreneurs and business people to engage with existing CSR initiatives in Member States and at the EU level with a view to promoting and developing the concept of a 'good corporate citizen';
66. Welcomes the Commission's intention to base its new award scheme on existing practices on this area; believes that the awards can incentivise CSR, but only if winners represent genuine best practice at the national, European and global level; invites the Commission to set up an independent panel of experts to assess this and to 'audit' the scheme in this and future years on a continuing basis; asks that the publicity around the awards reflect the real complexity of the challenges faced and emphasises lessons for all companies and not solely the winners;
67. Considers it essential that the Commission develop as soon as possible the announced common methodology for the measurement of environmental performance based on life-cycle cost; believes that such a methodology would be useful in terms of both the transparency of company information and the assessment by the authorities of companies' environmental performance;
68. Calls on the Commission to accelerate its efforts to bring forward, in its work programme, new proposals for meeting governance gaps with regard to international CSR standards, as recommended in the 'Edinburgh Study' it commissioned;
69. Calls on the Member States to take action to enhance the effectiveness of policies to promote CSR by, for example, introducing rewards for responsible corporate behaviour in the form of investment policy incentives and access to public investment;
70. Commends the Commission's plans to advance initiatives in the fields of responsible production and consumption; believes that the EU can build on the experience of CSR initiatives which have undertaken specific training and capacity-building for purchasers within companies; believes that the planned initiative on transparency can be a major driver for the ethical consumer movement; calls on the Commission and the Member States to consider the feasibility and desirability of developing a European social label for all companies involved in CSR, so as to make their efforts more visible to consumers and investors, and, by building on existing labelling initiatives, continuously to promote 'bottom-up' collaboration under the auspices of the International Social and Environmental Accreditation and Labelling (ISEAL) Alliance; suggests that companies bearing such a European label be monitored regularly regarding their compliance with the social CSR provisions set out in the label;

Linking socially responsible investment to disclosure

71. Notes that a key driver of the socially and sustainably responsible investment market

remains institutional investor demand, but the primary focus should not remain confined to environmental aspects; notes, in this vein, that disclosure to investors and consumers is a key driver of CSR and must be based on readily applicable and measurable social and environmental principles; welcomes the Commission's moves to engage with the investor community on CSR issues; calls for this engagement to be firmly based on support for the UN Principles for Responsible Investment and the principle of integrated reporting (IR);

72. Notes that beneficiaries of long-term investors such as pension funds have an interest in sustainable returns and in responsible corporate behaviour; believes that it is important that the incentives of investment agents are effectively aligned with beneficiaries' interests and do not restrict them to a narrow interpretation of those interests which focuses solely on the maximisation of short-term returns; endorses a legal framework which supports this aim; welcomes the Commission's development of proposals on long-term investing and on corporate governance which will help to address these issues;
73. Supports the Commission in bringing forward a proposal on non-financial disclosure by business; is pleased that this proposal is based on a wide-ranging public consultation as well as a series of workshops with relevant stakeholders; warns that the use of the term 'non financial' should not disguise the very real financial consequences for business of social, environmental and human rights issues; believes the proposal gives the EU the opportunity to recommend that European businesses apply the UN Guiding Principles on Business and Human Rights and the UN Global Compact and that they should be harmonised with integrated reporting as currently being developed by the International Integrated Reporting Council (IIRC); stresses that any solutions must be flexible and not create excessive administrative burdens and expense, particularly for businesses with fewer than 500 employees; believes that a 'comply or explain' system could be a useful tool;
74. Notes that to enhance the credibility of a business's actions, the social report should be verified by an external body;

Taking CSR forward

75. Endorses a continuing leading role for the European Multi-Stakeholder Forum in supporting the implementation of the proposals set out in the Commission communication; points out that if it were geared more closely to SMEs, CSR could spread more widely in all parts of Europe; calls on all participants to engage in the work of the forum with an approach which is flexible, open-minded and consensus-building in the true spirit of CSR;
76. Insists that trade union rights and freedoms and the representation of democratically-elected workers' representation bodies are at the centre of any CSR strategy; commends the existing EU framework of sectoral and cross-sectoral social dialogue structures and calls for full and active consultation and involvement of representative organisations and trade unions, in particular in the development, operation and monitoring of companies' CSR processes and structures, working with employers in a genuine partnership approach; calls on the Commission to treat unions and staff representatives, who are essential actors,

as partners in dialogue in connection with CSR-related topics, alongside businesses and other stakeholders; takes the view that the social partners can play a major role in promoting corporate social responsibility which, it should be noted, contributes to and facilitates social dialogue;

77. Calls for CSR policies to include specific measures to tackle the unlawful practice of blacklisting workers and denying them access to employment, often due to their trade union membership and activities or role as health and safety representatives;
78. Insists that any enterprise that is found to be blacklisting workers or breaching human rights and labour standards should be excluded from receiving EU grants and funding and from taking part in calls for tender for other public procurement contracts at EU, national or public authority level;
79. Notes that CSR policies must be respected not only by the main company or contractor but also by any sub-contractors or supply chains which it may use, whether in the supply of goods, workers or services and whether based in the EU or in a third country, thereby ensuring a level playing field based on fair pay and decent working conditions, and guaranteeing trade union rights and freedoms;
80. Endorses the Commission's Directive on minimum standards for victims and calls for the CSR policies of companies in the relevant sectors (such as travel, insurance, accommodation and telecommunications) to include positive and practical strategies and structures to support victims of crime and their families during a crisis, and to set up specific policies for any employee who becomes a victim of crime, whether in the workplace or outside;
81. Agrees that there cannot be a 'one size fits all' approach to CSR but recognises that the profusion of various CSR initiatives, although demonstrating awareness of the importance of CSR policies, can generate additional costs, be a barrier to implementation and undermine trust and fairness; believes that there must be sufficient flexibility when implementing CSR guidelines to cater for the specific requirements of each Member State and region, with particular regard to the capacities of SMEs; welcomes, however, the Commission's active cooperation with the participation of Parliament and the Council together with other international bodies to achieve a fundamental convergence of CSR initiatives in the long term and the exchange and promotion of good corporate practice regarding CSR, as well as to push forward the guidelines found in the International Standard ISO 26000 so as to ensure a single global, coherent and transparent definition of CSR; urges the Commission to contribute effectively to the guidance and coordination of EU Member State policies, thereby minimising the risk of additional costs being incurred by businesses operating in more than one Member State as a result of divergent provisions;
82. Believes that the notion that CSR is a 'luxury good' supported by business only in times of prosperity has been decisively refuted by the continuing high levels of business engagement with CSR; believes that this was an old-fashioned assumption which ignores the importance of reputation and also of the level of external risk to modern business profitability; calls for all European policy-makers themselves to integrate CSR at all levels of economic policy, including reinforcing CSR within the Europe 2020 Strategy;

83. Stresses that CSR should apply to the entire global supply chain, including all levels of subcontracting, and that it should include provisions, whether in the supply of goods, workers or services, to extend protection to migrant, agency and posted workers and that it should be based on fair pay and decent working conditions and guarantee trade union rights and freedoms; takes the view that the concept of Responsible Supply Chain Management needs to be further elaborated as a mechanism for delivering CSR;
84. Commends the work being undertaken in some business schools to promote CSR but recognises that they are only a minority; calls on the High-Level Group and the Member States, in cooperation with the Commission and, as appropriate, with universities, to address ways of mainstreaming CSR, responsible management and responsible citizenship in education and vocational training on management for all future business leaders, so that it will become a keystone in strategic corporate governance and so as to foster awareness of sustainable consumption; believes that this could include children involved in young entrepreneurship schemes; calls on the Commission to provide further financial support for education and training projects on CSR under the EU Lifelong Learning and Youth in Action programmes;
85. Reiterates that CSR should be applicable to all enterprises so as to create a fair and level playing field; however, points out that the way in which extractive industries operate in developing countries requires a move beyond a voluntary approach; stresses that investment by the petroleum industry in Nigeria is a good example of the limitations of CSR as currently implemented, where companies have failed to take CSR initiatives to create sustainable business practices or contribute to the development of their host states; strongly supports the legislative proposal for country-by-country reporting founded on the standards of the Extractive Industries Transparency Initiative (EITI) and reporting on sales and profits, as well as taxes and revenues, in order to discourage corruption and prevent tax avoidance; calls on the European extractive industries operating in developing countries to set an example of social responsibility and the promotion of decent work;
86. Calls for human rights and supply chain due diligence standards at EU level which, among other things, meet the requirements laid down in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and address, among other issues, areas with significant potential negative or positive impact on human rights such as global and local supply chains, conflict minerals, outsourcing, land grabbing and regions where labour law and workers' protection are insufficient or where products that are dangerous for the environment and health are produced; welcomes the programmes already set up by the EU, in particular the Forest Law Enforcement, Government and Trade (FLEGT) programmes in the field of forestry, and supports private initiatives such as the Extractive Industries Transparency Initiative (EITI);
87. Calls on the Commission to take further initiatives that aim to unlock and strengthen the potential of CSR in tackling climate change (by linking it to resource and energy efficiency), e.g. in the processes companies use to purchase raw materials;
88. Stresses that EU assistance to third-country governments in implementing social and environmental regulation and effective inspection regimes is a necessary complement to advancing the CSR of European business worldwide;

89. Suggests that the Member State governments call on the EIB to include a CSR clause in its operations;
90. Calls on the Commission to promote CSR in multilateral forums by supporting enhanced cooperation between the WTO and other multilateral forums dealing with CSR, such as the ILO and the OECD;
91. Calls for a system of transnational legal cooperation to be set up between the EU and third-country signatories to bilateral trade agreements in order to ensure that victims of breaches of social or environmental legislation, or of failures to honour CSR undertakings, by multinationals and their immediate subsidiaries have effective access to justice in the country where the breach took place and in support of the establishment of international judicial procedures to ensure, where necessary, that breaches of the law by companies are punished;
92. Calls for assessments of the human rights impact of new technologies to be made as early in the research and development phase as possible and calls for such assessments to include scenario studies and considerations of identifying standards for incorporating human rights into the design ('Human Rights by Design');
93. Notes that CSR is a mechanism which allows employers to support their workers and local communities in developing countries, that respect for CSR and labour standards enables such countries to benefit from further international trade, and that CSR can ensure that gains are shared equitably in order to develop sustainable economic and social prosperity and to lift more people out of poverty, especially in times of financial crisis.
94. Encourages the EU to play an active role in raising awareness of the contribution enterprises can give to society through CSR in the field of culture, education, sport and youth;
95. Encourages media companies to include transparent journalism standards in their CSR policies, including guarantees of source protection and the rights of whistle blowers;
96. Calls on the Commission to safeguard established, well-functioning CSR initiatives by introducing a CSR Test to assess the impact of forthcoming legislative and administrative initiatives on CSR measures and take relevant results into account when designing proposals;
97. Welcomes, for the sake of sustainability, obligations imposed on market operators and calls on the Commission to monitor and evaluate CSR initiatives;
98. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.

EXPLANATORY STATEMENT

The Commission's latest Communication on Corporate Social Responsibility embeds CSR in European thinking, in a policy area in which the European Parliament has played a decisive role. It also represents a major step forward in response to dialogue with Parliament and stakeholders involved in the CSR debate since the previous Communication.

This draft parliamentary resolution welcomes the new emphasis put on European support for global CSR initiatives, the restatement of support for a multi-stakeholder approach, a definition which reflects the consensus at the global level and a much more active support role for the European Commission itself.

I believe the Communication to be constructive, forward-looking and responsive to developments in CSR in Europe and the world. It provides a strong basis for future action, and the European Parliament is invited to give its broad support.

Therefore my report seeks to make its own contribution to the debate by developing some of the ideas in the Communication, as well as by identifying some possible gaps.

A Sustainable Recovery

First and foremost, the debate on CSR is put in the context of the current economic crisis. The argument is made that CSR is indispensable if there is to be a restoration of trust in business and a sustainable economic recovery.

Whilst it is proper to guard against the accusation of "greenwash," CSR must be seen as an opportunity not a threat to business competitiveness. It is also part of Europe's own "social licence" to pursue trade-led growth.

Short-term thinking in Brussels which focuses exclusively on the transparency, responsibility and accountability of financial markets alone, would also repeat the very same mistakes which those responsible for the banking collapse are accused.

There can be no retreat from the crucial commitment to transform the European and global economy to a low-carbon future. Sustainable businesses can only operate in a sustainable economy.

Therefore my report invites responsible companies to demonstrate their active commitment to mitigating the social consequences of the crisis and to do so by initiating a number of suggested CSR actions: in the fields youth job creation, occupational health, on the sustainability of pensions, promoting the 'living wage,' tackling exploitative labour practices in company supply chains and by promoting new markets in socially-useful and environmental products and services.

Implementing Global CSR

A second priority for the report is to develop concrete ideas which help translate the Commission's intention to better implement global CSR initiatives. I argue that the "pole of excellence" on CSR which the Commission promised in 2006 is far better achieved in 2012

by adopting a global approach aimed at European companies operating in global markets.

I recommend that the European Commission should make an overall report on implementation of the UN Guiding Principles on Business and Human Rights, whilst Member States can improve their own implementation through a peer review process which is already standard in assessing human rights policies. It is also now time to tackle the sensitive issue of extraterritorial jurisdiction, concerning abuses of labour or wider human rights by European enterprises, which take place in third countries where access to justice is restricted.

The report also argues that the Commission must play a much more active role implementing the OECD Guidelines on Multinational Enterprise, referencing them in trade and investment agreements, giving financial support to capacity-building, aiding complaints in the event of alleged breaches, making financial support to business conditional on respect for the Guidelines and helping win new signatories worldwide.

The report also advocates the importance of transparency and integrated sustainability reporting as a key driver for CSR. Strong support is indicated for uptake of the Global Reporting Initiative - the leading methodology used by business worldwide for sustainability reporting. The report goes on to encourage the planned Commission proposal in this area, but to do so by being firmly rooted within the objective of the International Integrated Reporting Council: to make IR the global norm by the end of the decade.

The report backs the Commission's intention to engage with investors, especially for the promotion of the UN Principles for Responsible Investment and I suggest the launch a new EU initiative on advancing "materiality."

The report also recommends active EU support for the business-led proposal for a UN convention on corporate responsibility, tabled at this year's UN Rio +20 Summit for Sustainable Development. I back the promotion of CSR through the process of sustainable development goals, launched through the summit's outcome.

The Multi-Stakeholder Approach

The European Parliament is also asked to recognise the special nature of EU policy-making on CSR. Ideas are developed to utilise the conventional social dialogue, for example by setting a target for new framework agreements in the field of CSR and by financing pilot projects with European trade unions in the field of "Decent Work."

However the European Parliament is explicitly asked to back the functioning and development of the Multi-Stakeholder CSR Forum, including through the sectoral initiatives proposed in the Communication. I propose additional initiatives in relation to ICT and the private security sector. New planned multi-stakeholder "communities of practice" are also supported.

Enhanced engagement is called for with other stakeholders by the High-Level Group of member states, together with the need for greater attention to CSR by the Commission Directorates-General for Environment and external relations.

Public and Private Together - "The Smart Mix"

The report advocates greater emphasis on the impact of public policies on CSR. This should include implementation of recommendations of the Commission's own "Edinburgh Study" on governance gaps and the need to achieve concrete results on implementing social indicators, in particular through public procurement.

The European Commission is invited to show leadership by making its own commitment to sustainability reporting, ethical management of its own pension investments and to support for employee volunteering by Commission staff.

The report restates the link between corporate responsibility and corporate governance, and supports the use of stewardship codes and Directors' duties to advance CSR "ownership" and mainstreaming within the company.

However, the continuing importance of complementary private and voluntary actions is equally emphasised, in particular through advocating the benefits of supporting the principle of "convergence" of such initiatives. It is much better to promote voluntary cooperation rather than new mandatory initiatives in relation to social labels, it is argued.

Put together this is known in relation to the UN Guiding Principles as the "smart mix" of regulatory and voluntary approaches - and it is indeed smart for the EU to adopt the same approach.

Moving Forward

A wide range of other suggested actions in the Communication are supported. I suggest extra emphasis is put on integrating CSR in the curriculum of mainstream business schools, promoting CSR in small business through the cluster approach and introducing an "audit" to ensure planned CSR awards genuinely meet European and global best practice.

Finally, let me reiterate my conviction that CSR must move from process to outcome. The Communication is absolutely right that a significant "scaling up" of CSR uptake is paramount. Undertaking initiatives on business citizenship as part of the European Year 2013, researching the cumulative impact of CSR in tackling social and environmental problems to highlight the urgency of the challenges and a proposal for a new "compact" with civil society are some of the ideas the report recommends to engage with people inside and outside the business to help achieve this target.

If, as the Commission rightly says, CSR is the responsibility of enterprises for their impacts on society - it is impact that business and society together should most seek.

18.12.2012

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS (*)

for the Committee on Employment and Social Affairs

on corporate social responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Rapporteur: Raffaele Baldassarre

SUGGESTIONS

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

1. Stresses the mutual benefits to be gained from cooperation between business and civil society, which can facilitate efforts to establish joint strategies, share knowledge and compare expectations; endorses wholeheartedly, therefore, the commitment made by the Commission to set up multi-stakeholder CSR platforms to step up cooperation between business and society on key social and environmental matters; stresses that corporate social responsibility may require statutory framework provisions and that voluntary measures can complement, but in no way replace, existing provisions regarding the protection of workers, the efficient monitoring of compliance and the imposition of any penalties which may be necessary;
2. Is concerned that the economic crisis may have had an adverse impact on the way in which work is organised; calls on the Commission, in close cooperation with the social partners, to use the multi-stakeholder platforms as an additional measure to promote efforts to find sustainable solutions guaranteeing full respect for the rights of workers in connection with equal treatment, the organisation of working time and precarious employment;
3. Agrees with the Commission Communication that compliance with the relevant legislation and with collective agreements between the social partners is an essential precondition for CSR; notes also that social responsibility necessarily involves properly conducted trade union relations, in particular respect for trade union rights, ongoing information for workers and the associations representing them, and the involvement of these associations in corporate decision making;
4. Notes that, in assessing the social responsibility of a company, account must be taken of the conduct of those companies forming part of its supply chain as well as that of any

subcontractors;

5. Draws attention to the strategic role SMEs can play in fostering the uptake of CSR, owing to their close links with the areas in which they operate; calls on the Commission to develop, in conjunction with national authorities and multi-stakeholder platforms, sector-specific arrangements for cooperation between SMEs that will enable them to take joint action on social and environmental problems;
6. Emphasises the importance of framing Union CSR policies in line with international standards, so as to avoid disparate national interpretations and any risk of competitive advantages or disadvantages emerging at national or international level;
7. Calls on businesses to encourage their employees to do international voluntary work, with a view to promoting synergies between the public and private sectors in the development cooperation field; calls on the Commission to provide support, through the future European Voluntary Humanitarian Aid Corps, for action taken by businesses in this area;
8. Calls on the Commission, in particular DG Justice, to present proposals regarding the extraterritorial jurisdiction of EU courts in cases of human rights violations on the part of EU companies or their subsidiaries, subcontractors or trading partners;
9. Acknowledges the importance of increasing CSR practices and policies within large companies; calls, therefore, on the Commission to highlight the importance of introducing CSR as a topic in education and training, especially within business and management schools.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.12.2012
Result of final vote	+: 12 -: 0 0: 0
Members present for the final vote	Raffaele Baldassarre, Sebastian Valentin Bodu, Françoise Castex, Marielle Gallo, Klaus-Heiner Lehne, Alajos Mészáros, Bernhard Rapkay, Evelyn Regner, Rebecca Taylor, Cecilia Wikström, Tadeusz Zwiefka
Substitute(s) present for the final vote	József Szájer

5.12.2012

OPINION OF THE COMMITTEE ON FOREIGN AFFAIRS

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Rapporteur: Andrzej Grzyb

SUGGESTIONS

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

1. Welcomes the fact that the new definition established in the Commission communication of 25 October 2011 on Corporate Social Responsibility (CSR) emphasises that compliance with applicable legislation and with collective agreements is a prerequisite for responsible action, and specifies the framework required for corporate responsibility by demanding that 'social, environmental, ethical, human rights and consumer concerns' are integrated into the operations and core strategy of businesses in close collaboration with their stakeholders; reiterates that CSR must also extend to enterprises' behaviour towards and in third countries;
2. Welcomes the efforts of the European Union and its Member States to align their policies with the OECD Guidelines for Multinational Enterprises, updated in 2011, and with the UN Guiding Principles on Business and Human Rights¹, and stresses that these efforts, particularly in the area of global business activities, do not yet amount to a thorough commitment to respecting and reviewing relevant environmental, social and human rights standards;
3. Stresses the importance of assessing an enterprise's compliance with social responsibility requirements throughout the supply chain; considers it vital to have effective and transparent indicators with which to assess the precise impact of an enterprise's activities

¹ United Nations Human Rights Council, 17th Session, 21 March 2011, Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie: 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework' (A/HRC/17/31) (referred to hereinafter as the 'UN Guiding Principles').

from a systemic point of view;

4. Insists that each of the 27 Member States must accelerate the revision of its national action plan on CSR, and the development of national plans implementing the relevant OECD Guidelines and UN Guiding Principles, which should be finalised at the latest by December 2013; considers that the Member States should ensure that these plans are drafted with the participation of all relevant stakeholders, including NGOs, civil society, trade unions, employers' organisations and national human rights institutions (NHRI); calls on the EU to facilitate learning from the experience of those Member States which are currently undergoing this process; encourages the Member States to draw inspiration from the guidelines contained in the ISO 26000 standard, the most recent version of the Global Reporting Initiative guidelines, and the guidance developed by the European Group of National Human Rights Institutions;
5. Emphasises that the CSR of enterprises both within the EU and in third countries should also be extended to areas such as the organisation of work, the quality of employment, equal opportunities, social inclusion, combating discrimination and continuing training;
6. Calls for greater policy coherence to be established at EU level by bringing public procurement, export credit, good governance, competition, development, trade, investment and other policies and agreements into conformity with the international human rights, social and environmental standards laid down in the relevant OECD and UN guidelines and principles; calls, in this connection, for cooperation with bodies representing employees, employers and consumers while drawing on relevant NHRI advice, such as the submission of the European Group of National Human Rights Institutions to the Commission on human rights and procurement; calls for meaningful and adequate impact assessments of legislative proposals for potential incoherence with the UN Guiding Principles, and insists on coordination with the UN Working Group on Business and Human Rights in order to avoid disparate and inconsistent interpretations of those Guiding Principles; recalls, while recognising the significance of the UN human rights framework for CSR, the importance of the Charter of Fundamental Rights of the European Union, including Article 16 thereof, which guarantees the fundamental right to conduct a business, a right that should be duly taken into account and serve as a reference to support CSR policies in the EU; underlines the importance of balancing the freedom to conduct business with other rights guaranteed by the Charter, as well as with internationally recognised CSR principles and guidelines; welcomes, in this connection, the efforts of the European Union Agency for Fundamental Rights (FRA) to collect evidence and expertise concerning the existence and interpretation of the freedom to conduct business;
7. Commits itself to continuing to raise consistently its expectation that EU institutions and officials, including the EU Special Representative on Human Rights and the country- and region-specific EU Special Representatives, make efforts to advance social, environmental and human rights standards in all EU external relations and actions; calls on the Commission and the Member States to conduct fundamental rights impact assessments prior to the conclusion of, and during the evaluation of, multilateral and bilateral trade and

investment agreements and when allocating development aid, and to ensure that these rights are respected;

8. Recognises that Paris Principles-aligned NHRIs are well placed to provide support for the implementation of the UN Guiding Principles and to facilitate, and even ensure, access to remedies; calls on the EU and its Member States to recognise NHRIs alongside enterprises and bodies representing employees, employers and consumers as key partners in advancing the human rights and business agenda, developing linkages between business, the state and civil society and promoting internationally recognised social, environmental and human rights standards and guidelines; calls, in this context, on the Member States to strengthen and, where necessary, broaden the mandates of the NHRIs to make them more effective, or, where no Paris Principles-aligned NHRI is in place, to take steps to establish one, and for the EU to develop appropriate strategic support; commits itself to establishing a regular annual exchange of views with NHRIs in the framework of the LIBE and/or DROI committees, building on the experience of the DROI committee's exchange of views on the 'EU and Eastern Partnership Ombudsmen 2011 Summit', and to complement such exchanges with targeted workshops on human rights and business;
9. Welcomes the adoption by the International Labour Organisation on 14 June 2012 of Recommendation No 202 concerning national floors for social protection; undertakes to place the human rights and CSR issue on the agenda for forthcoming EU meetings with third countries, especially those with which the EU has a special relationship; calls for CSR to be incorporated into the EU's contractual relations with third countries and requests, if necessary, that translations of the UN Guiding Principles be carried out using the capacity of the EP or of other EU institutions;
10. Calls for the EU, and in particular the Commission, to ensure that financial instruments, including the European Instrument for Democracy and Human Rights (EIDHR), see the Paris Principles-compliant NHRIs as key partners in achieving their objectives, and support them in making effective use of their unique position and human rights expertise to create space for dialogue between the various stakeholders, including state authorities, civil society and business, and, to that end:
 - (1) to ensure that the topic of CSR and human rights features among the priorities of individual financial instruments under the new multiannual financial framework (MFF) for the 2014-2020 period; and
 - (2) to develop specific support under the EIDHR for training and overall capacity-building in the area of CSR and human rights for civil society organisations, NHRIs, human rights defenders, trade unions and other human rights organisations;
11. Insists that, in order to ensure that the implementation of the new EU CSR strategy promotes the interests of society in all its diversity, respect for human rights, and a route to sustainable and inclusive recovery and progress, EU guidance on the disclosure of non-financial information (including environmental, social, and governance information) by companies must ensure transparency by providing a clear, unambiguous, common and predetermined framework making specific reference to human rights which is fully aligned with the OECD and UN guidelines and principles and based on objective indicators referring to: equality between women and men, including issues such as the

gender pay gap and the proportion of women in senior posts; youth wages; the possibility for workers to join trade unions and conduct collective bargaining; effective guarantees of safety at work; and disability;

12. Calls on the EU to address internal capacity and expertise gaps by implementing substantial training programmes on human rights and business across all EU institutions and policy areas;
13. Reiterates its calls for the EU and its Member States to improve the enforcement of existing laws addressing CSR and human rights concerns, and to develop further solutions aimed at establishing a level playing field for domestic and third countries' business enterprises in order to combat social dumping;
14. Calls for human rights and supply chain due diligence standards at EU level which, among other things, meet the requirements laid down in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and address, among other issues, areas with significant potential negative or positive impact on human rights such as global and local supply chains, conflict minerals, outsourcing, land grabbing and regions where labour law and workers' protection are insufficient or where products that are dangerous for the environment and health are produced; welcomes the programmes already set up by the EU, in particular the Forest Law Enforcement, Government and Trade (FLEGT) programmes in the field of forestry, and supports private initiatives such as the Extractive Industries Transparency Initiative (EITI);
15. Requests that where the EU or its Member States are partners of business (e.g. in the context of public procurement, state-owned enterprises, joint ventures, export credit guarantees and large-scale projects in third countries), consistency with the OECD and UN guidelines and principles should be a priority which is reflected in specific clauses carrying consequences for companies that blatantly violate social, environmental and human rights standards; recommends that the envisaged 'EU Platform for External Cooperation and Development' plays a part in the determination of modalities meant to improve the quality and efficiency of EU external cooperation, blending mechanisms and financial instruments, as well as a role in promoting cooperation and coordination among the EU, the financial institutions and other stakeholders in this field;
16. Stresses the importance of the UN 'Protect, Respect and Remedy' framework and considers that its three pillars – the state's responsibility to protect against human rights violations, businesses' responsibility to respect human rights, and the need for more effective access to remedies – should be supported by appropriate measures to enable their implementation;
17. Emphasises that, given the size of their share of international trade, European companies and their subsidiaries and subcontractors play a key role in the promotion and dissemination of social and labour standards worldwide; acknowledges that grievances against EU companies operating abroad are often more usefully solved in situ; commends the OECD National Contact Points as state-based non-legal mechanisms that can mediate over a broad range of business and human rights disputes; calls, however, for a greater effort by companies in developing grievance mechanisms aligned with the effectiveness criteria set out in the UN Guiding Principles, and for further authoritative guidance to be

sought in internationally recognised principles and guidelines, in particular the recently updated OECD Guidelines for Multinational Enterprises, the 10 principles of the United Nations Global Compact, the ISO 26000 Guidance Standard on Social Responsibility and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy;

18. Welcomes the Commission's intention to amend the private international law provisions contained in the Brussels I Regulation, and in particular the introduction of the principle of 'forum necessitatis'; stresses the need further to develop effective access to remedies for victims of human rights violations resulting from corporate operations outside the EU, through reforms of the Brussels I and Rome II Regulations; calls for effective measures to remove existing obstacles to justice, such as inordinate litigation costs, by means of initiatives such as the development of minimum standards for collective redress and solutions to the problem of 'separate legal personality' for companies;
19. Calls for the development of more effective transparency and accountability standards for EU technology companies in connection with the export of technologies that can be used to violate human rights or to act against the EU's security interests;
20. Welcomes the Commission's wish to address the issue of CSR in the context of enlargement; is disappointed, nevertheless, that this issue is not specifically addressed in the accession negotiations with candidate countries or mentioned in the Commission communication of 10 October 2012 entitled 'Enlargement Strategy and Main Challenges 2012-2013' (COM(2012)0600);
21. Welcomes the Commission's intention to work towards establishing global advocacy, international guidelines and complementary legislation to ensure that EU businesses have a positive impact in foreign societies; notes that businesses' positive impact in foreign societies can be assessed in terms of, among other things, local people's access to resources, their food sovereignty and the endogenous development of those societies;
22. Calls for the implementation of the 'know your end user' principle in order to prevent human rights violations up or down stream in a production or market flow.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	3.12.2012
Result of final vote	+: 42 -: 1 0: 2
Members present for the final vote	Sir Robert Atkins, Arnaud Danjean, Marietta Giannakou, Andrzej Grzyb, Anna Ibrisagic, Liisa Jaakonsaari, Anneli Jäätteenmäki, Jelko Kacin, Tunne Kelam, Nicole Kiil-Nielsen, Evgeni Kirilov, Maria Eleni Koppa, Andrey Kovatchev, Paweł Robert Kowal, Eduard Kukan, Alexander Graf Lambsdorff, Krzysztof Lisek, Mario Mauro, Francisco José Millán Mon, María Muñiz De Urquiza, Annemie Neyts-Uyttebroeck, Raimon Obiols, Ria Oomen-Ruijten, Pier Antonio Panzeri, Alojz Peterle, Bernd Posselt, Cristian Dan Preda, Tokia Saïfi, José Ignacio Salafranca Sánchez-Neyra, Jacek Saryusz-Wolski, György Schöpflin, Werner Schulz, Marek Siwiec, Charles Tannock, Kristian Vigenin, Sir Graham Watson
Substitute(s) present for the final vote	Laima Liucija Andrikiienė, Marije Cornelissen, Elisabeth Jeggle, Agnès Le Brun, Marietje Schaake, Helmut Scholz
Substitute(s) under Rule 187(2) present for the final vote	Lara Comi, Danuta Jazłowiecka, Giovanni La Via

6.12.2012

OPINION OF THE COMMITTEE ON DEVELOPMENT

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Rapporteur: Catherine Grèze

SUGGESTIONS

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

1. Notes that owing to the heterogeneity of the concept of Corporate Social Responsibility (CSR), with different companies having developed different standards on accounting, auditing and reporting, levels of CSR are hard to compare; emphasises that internationally agreed regulation in the context of CSR would create trust and fairness in business relations and have the benefits of certainty, progressive enforceability, universality and stakeholder empowerment;
2. Agrees with the Commission that CSR must cover human rights, labour and employment practices, environmental issues (such as biodiversity, climate change, resource efficiency) and combating bribery and corruption, i.e. through good tax governance (namely transparency, exchange of information and fair tax competition);
3. Points out that CSR covers a wide range of social standards on which very little focus is placed owing to a failure to establish indicators with which to measure progress on social issues;
4. Stresses that it should be easy for investors and consumers to identify firms which have made a commitment to CSR, as this would encourage those firms in their efforts;
5. Highlights the need for the EU to look at the possibility of introducing appropriate marks or labels to be used alongside the names, or on the products, of firms that have made a commitment to CSR, so as to make them easy to identify;
6. Points out that CSR is the best tool for companies to show their commitment, solidarity and responsibility towards society, and that it is also essential to achieving the objective of

policy coherence for development (PCD); welcomes the Commission's commitment to promote CSR in full consistency with current international guidelines, including the recently updated OECD Guidelines for Multinational Enterprises, the 10 principles of the United Nations Global Compact, the ISO 26000 Guidance Standard on Social Responsibility, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, and the United Nations Guiding Principles on Business and Human Rights; regrets, however, that the language of CSR is mostly voluntary;

7. Deplores the lack of information for SMEs on the global compact under which businesses can commit to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, the environment and anti-corruption;
8. Stresses that the UN Global Compact and the ISO 26000 standards are not properly suited to the needs of SMEs, which makes the whole idea of CSR less effective within the EU;
9. Draws attention to the need for thought to be given at both EU and national levels to how tax incentives might be used to promote CSR more widely among firms;
10. Emphasises that, as a purely voluntary commitment, CSR may be insufficient to deal with externalities resulting from the operations of multinationals, including human rights violations and environmental degradation; reiterates its call for foreign investors and companies operating in developing countries to fully comply with international legally binding obligations regarding human rights as well as environmental and ILO core labour standards as well as UN Guiding Principles on Business and Human Rights; calls for CSR policies also to include specific measures to tackle the unlawful practice of blacklisting workers and denying them access to employment, often owing to their trade union membership and activities or to roles as health and safety representatives;
11. Highlights the fact that companies should be encouraged to implement CSR practices, and that companies which have already implemented such practices should be encouraged to pursue the goals of CSR; asks the Commission to consider incentives, such as prioritising in EU public procurement contracts, so that companies see CSR as an opportunity and not as a threat;
12. Stresses that CSR should result in clear commitments to respecting the rights, protection and wellbeing of workers with performance indicators and clear benchmarks to measure improvements, and that provision should be made for objective, inclusive and transparent monitoring and effective accountability and enforcement mechanisms for dealing with non-compliance, including a more open and clear procedure for filing and considering complaints and for initiating investigations where necessary;
13. Reiterates that CSR should be applicable to all enterprises so as to create a fair and equal playing field; however, points out that the way in which extractive industries operate in developing countries requires a move beyond a voluntary approach; stresses that investment by the petroleum industry in Nigeria is a good example of the limitations of CSR as currently implemented, where companies have failed to take CSR initiatives to create sustainable business practices, or contribute to the development of their host states; strongly supports the legislative proposal for country-by-country reporting founded on the standards of the Extractive Industries Transparency Initiative (EITI), reporting on sales

and profits, as well as taxes and revenues, in order to discourage corruption and prevent tax avoidance; calls on European extractive industries operating in developing countries to set an example of social responsibility and the promotion of decent work;

14. Calls on the Commission to take further initiatives that aim to unlock and strengthen the potential of CSR in tackling climate change (by linking it to resource and energy efficiency), e.g. in the processes companies use to purchase raw materials;
15. Stresses that CSR should apply to the entire global supply chain, including all levels of sub-contracting and, whether in the supply of goods, workers or services, that it should include provisions to extend protection to migrant, agency and posted workers and that it should be based on fair pay and decent working conditions and guarantee trade union rights and freedoms; takes the view that the concept of Responsible Supply Chain Management needs to be further elaborated as a mechanism for delivering CSR;
16. Takes the view that, in order to have a real impact on poverty reduction, the CSR agenda should also focus on SMEs, as their cumulative social and environmental impact is significant;
17. Considers that EU companies should be legally liable and that different kinds of accountability and liability mechanisms should be implemented between them and their subsidiaries and the entities they control in developing countries; welcomes, furthermore, the work done by EU civil society, which has been actively engaged in raising awareness about violations committed by these companies abroad;
18. Insists that it is the duty of the state to protect against violations of human and labour rights, including by businesses, to hold companies accountable, to uphold freedom of association and collective bargaining rights, and to provide access to justice for victims; calls on the Commission to provide effective measures to operationalise the UN Protect, Respect and Remedy Framework put forward by John Ruggie, the UN Special Representative on Business and Human Rights;
19. Stresses that better implementation of the UN Guiding Principles on Business and Human Rights will contribute to EU objectives regarding specific human rights issues and core labour standards; therefore calls on the EU to strive for a clear international legal framework concerning the responsibilities and obligations of business with regard to human rights;
20. Welcomes the fact that the number of companies disclosing information on their environmental, social and governance (ESG) performance has grown significantly in recent years; points out, however, that reporting companies still constitute only a small share of global business; notes that, while the EU Accounts Modernisation Directive (2003/51/EC)¹ ensures a minimum level of disclosure of both financial and non-financial key performance indicators, it does not stipulate any requirements in relation to the type of indicators to be included in annual reports; calls on the Commission to investigate further possible measures to strengthen disclosure of ESG information at European level;

¹ OJ L 178, 17.7.2003, p. 16.

21. Stresses that EU assistance to third-country governments in implementing social and environmental regulation and effective inspection regimes is a necessary complement to advancing the CSR of European business worldwide;
22. Stresses that Socially Responsible Investment (SRI) is part of the implementation process of CSR in investment decisions; notes that although there is currently no universal definition of SRI, it usually combines investors' financial objectives with their concerns about social, environmental, ethical and corporate governance issues;
23. Urges the EU and its Member States to take further policy initiatives that aim to raise awareness and strengthen the development of SRI, for example by considering a legal formulation of an SRI minimum standards setting, especially within the scope of the EU's investment and trade agreements with developing countries;
24. Notes that CSR is a mechanism with which employers can support their workers and local communities in developing countries and that it can ensure gains are equitably shared to develop sustainable economic and social prosperity and lift more people out of poverty, especially in times of financial crisis; regrets that protocols for social intervention are currently only voluntary and urges the Commission to make these binding;
25. Calls for full and active consultation and involvement of representative organisations, including trade unions, in the development, operation and monitoring of companies' CSR processes and structures, including through the ongoing development of workers' skills and qualifications through training and lifelong learning, working with employers in a genuine partnership approach.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	6.12.2012
Result of final vote	+: 23 -: 1 0: 2
Members present for the final vote	Thijs Berman, Michael Cashman, Nirj Deva, Leonidas Donskis, Charles Goerens, Catherine Grèze, Eva Joly, Filip Kaczmarek, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Bill Newton Dunn, Birgit Schnieber-Jastram, Michèle Striffler, Alf Svensson, Keith Taylor, Patrice Tirolien, Ivo Vajgl, Daniël van der Stoep, Anna Záborská, Iva Zanicchi
Substitute(s) present for the final vote	Enrique Guerrero Salom, Cristian Dan Preda
Substitute(s) under Rule 187(2) present for the final vote	Ioan Enciu, Emilio Menéndez del Valle, Helmut Scholz

18.12.2012

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Rapporteur: Bernd Lange

SUGGESTIONS

The Committee on International Trade calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes with interest that the Commission has started to include references to CSR in EU trade agreements; takes the view, in the light of the key role played by corporations, their subsidiaries and their supply chains in international trade, that corporate social and environmental responsibility must become an integral part of the 'sustainable development' chapter of the EU's trade agreements; calls on the Commission to elaborate concrete proposals for the implementation of these CSR principles in trade policy;
2. Commits itself to step up its efforts continually so that EU institutions and officials, including the EU Special Representative for Human Rights, are required to enforce social, environmental and human rights standards in all EU external relations and actions;
3. Stresses that promoting CSR is an objective supported by the European Union, and that the Union must therefore ensure that the external policies it implements contribute to the sustainable development and to the social development of the countries concerned;
4. Urges the Commission, in devising concrete proposals for the application of CSR principles, to base itself on the OECD Guidelines for Multinational Enterprises, including the OECD complaints procedure;
5. Commends all member states of the OECD for their comprehensive work on the OECD Guidelines for Multinational Enterprises, published on 25 May 2011; notes that 44 adhering governments – representing all regions of the world and accounting for 85 % of foreign direct investment – encourage their enterprises to observe these far-reaching

recommendations for responsible business conduct wherever they operate;

6. Agrees that current environmental and climate change imperatives and the development of global production chains demand a broader CSR concept coverage than envisaged when the concept was first conceived; considers it necessary, therefore, to spell out an updated CSR concept, relating to labour and human rights and employment issues as well as to environmental protection, climate change concerns and avoidance of corruption and tax evasion;
7. Calls for all European companies operating in third countries and employing more than 1000 people to be required to apply the OECD Guidelines for Multinational Enterprises from 1 January 2014;
8. Asks the Commission to include a binding CSR clause in all bilateral trade and investment agreements signed by the EU, on the basis of principles of CSR as defined at the international level – with an emphasis on sustainable development and good governance and with a clear focus on human rights, decent work, labour standards, freedom of association, collective bargaining and other social considerations – in particular the 2010 update of the OECD Guidelines; suggests that this clause should harmonise existing standards and concepts, in order to ensure comparability and fairness, and contain measures for monitoring these principles on the EU level and for its implementation, and that National Contact Points be set up as fora for questions on the issues raised in the OECD Guidelines, such as the requirement to monitor the activities of companies and their subsidiaries and supply chains, and the requirement to apply due diligence;
9. Calls on the Commission to ensure that all companies operating in the single market, including those transnational corporations the subsidiaries or supply chains of which are located in the EU, comply with all their legal obligations at both the national and EU level in order to ensure fair competition and maximise the benefits for EU consumers; calls on the Commission actively to promote responsible business conduct amongst EU companies operating abroad, with special focus given to ensuring strict compliance with all their legal obligations, stemming from either domestic laws or any bilateral or international legal obligations their business operations are subject to therein, not the least compliance with international standards and rules in the areas of human rights, labour and the environment; suggests, to this end, that the Commission should actively engage with its partners in developing and emerging countries in order to exchange best practices and know-how on the ways and means of improving the business environment and raising awareness about responsible business conduct;
10. Suggests that the Member State governments call on the EIB to include a CSR clause in its operations;
11. Calls on the Commission to introduce a more open and clear procedure for filing and considering complaints regarding non-compliance with CSR principles, including enforcement mechanisms, and to initiate investigations where necessary;
12. Calls on the Commission to urge companies to apply CSR; emphasises the need to support and encourage the spread of such practices among SMEs while keeping costs and red tape to a minimum;

13. Calls on the Commission to include a CSR clause in agreements with non-governmental organisations (NGOs), particularly where these relate to development activities;
14. Calls on the Commission to use incentive-based measures more effectively, and to be more vigilant in monitoring and ensuring that transnational corporations whose subsidiaries or supply chains are located in countries participating in the GSP and GSP+ – whether or not they have their registered office in the European Union – as well as the countries concerned a) comply with their national and international legal obligations in the areas of human rights, social and labour standards and environmental rules, b) show a genuine commitment to the rights, protection and well-being of their workforce and citizens generally, c) uphold freedom of association and collective bargaining rights, and d) deal with any infringements swiftly and effectively;
15. Calls on the Commission to promote CSR in multilateral forums by supporting enhanced cooperation between the WTO and other multilateral forums dealing with CSR, such as the ILO and the OECD;
16. Recalls that both court litigations and alternatives to court litigations already exist for settling commercial disputes and/or for seeking compensation for negative externalities of irresponsible or illegal business activity; calls, in this regard, on the Commission to do more to enhance awareness of both paths amongst the businesses community and the public at large; recalls that the International Chamber of Commerce (ICC) provides dispute resolution services for individuals, businesses, states, state entities and international organisations seeking alternatives to court litigation that can contribute to improving effective access to justice for victims in the event of breaches of responsible business practices causing economic, social and environmental damages in the EU and/or abroad;
17. Calls for the monitoring of restrictive measures (sanctions, boycotts, embargos) as well as for licensing schemes on the EU level for dual-use items;
18. Calls for mechanisms to be put in place whereby CSR principles must be respected not only by the main company or contractor benefitting from a trade agreement, but also by any sub-contractor or supply chain it may use, whether in the supply of goods, workers or services, thereby ensuring a level playing field based on fair pay and decent working conditions, and guaranteeing trade union rights and freedoms;
19. Calls on the Commission to improve its sustainability impact assessment model, in order to properly reflect the economic, social, human rights and environmental implications – including climate change mitigation goals – of trade negotiations; calls on the Commission to follow up on the trade agreements with the EU's partner countries by carrying out, prior to and after the signing of a trade agreement, sustainability impact assessment studies, taking into account in particular vulnerable sectors;
20. Underlines that, following the entry into force of the Lisbon Treaty, Parliament is to be fully informed on how the findings of Sustainability Impact Assessments (SIA) of agreements are incorporated into negotiations prior to their conclusion, and which chapters of those agreements have been changed to avoid any negative impacts identified in the SIA;

21. Calls for a system of transnational legal cooperation to be set up between the EU and third country signatories to bilateral trade agreements in order to ensure that victims of breaches of social or environmental legislation, or of failures to honour CSR undertakings, by multinationals and their immediate subsidiaries have effective access to justice in the country where the breach took place, and in support of the establishment of international judicial procedures to ensure, where necessary, that breaches of the law by companies are punished;
22. Calls for the development of more effective transparency and accountability standards for EU technology companies involved in the export of technologies that can be used to violate human rights or in ways contrary to the EU's security interest;
23. Calls on the EEAS to ensure that EU trade officers, if based in EU embassies, are given regular training on CSR issues, in particular with respect to the implementation of the UN 'Protect, Respect and Remedy' Framework, and that EU embassies function as EU contact points for complaints concerning EU companies and their subsidiaries, since OECD National Contact Points exist only in OECD-adhering countries and, in practice, are therefore not accessible to employees of such companies based in non-OECD countries;
24. Calls for assessments of the human rights impact of new technologies to be made as early in the research and development phase as possible, and calls for such assessments to include scenario studies and considerations of identifying standards for incorporating human rights into the design ('Human Rights by Design');
25. Stresses that awareness-raising at corporate level about the importance of CSR and the consequences of non-compliance, as a task for the Commission, must be accompanied by adequate awareness- and capacity-building at the level of host country governments in order to ensure effective implementation of CSR rights and access to justice;
26. Calls for the implementation of the 'know your end user' principle to ensure increased scrutiny and to prevent human rights violations from occurring either up- or downstream in supply chains and production or market flows;
27. Underlines that future bilateral investment treaties signed by the EU must guarantee that a fair balance is struck between the need to protect investors and need to allow for state intervention, especially with regard to social, health and environmental standards;
28. Notes the positive steps made in the current reform of the Transparency Directive (2004/109/EG) and of the Accounting Directive (2003/51/EG) in addressing the issue of CSR while balancing the legitimate quest for transparency and responsibility with the burden of reporting by companies; calls on the Commission to ensure that companies falling under these directives are obliged to report regularly on their CSR activities, in line with the OECD Guidelines for Multinational Companies, while ensuring special arrangements for SMEs in order to make the reporting financially and administratively feasible;
29. Stresses that the CSR dimension should be incorporated into multilateral trade agreements, and calls, therefore, on the Commission to support proposals to that effect in international fora, in particular the OECD and the ILO as well as the WTO in the post-

Doha context;

30. Calls for future CSR measures to encompass the whole value chain, from the extraction of raw materials via trade to recycling;
31. Asks that CSR policies be included at all levels of trade agreements with the EU, and that they include provisions to extend protection to migrant, agency and posted workers;
32. Considers that the Commission and the Member States should encourage EU companies to take initiatives aimed at promoting CSR and to exchange good practices with their partners in other countries;
33. Calls for CSR policies and for fundamental employment and trade union rights, such as the rights to privacy and freedom of association, to be respected by EU companies in all their operations, whether they are based in the EU or in third countries;
34. Calls for full and active consultation and involvement of representative organisations, including trade unions, in the development, operation and monitoring of companies' CSR processes and structures; calls on such representative organisations to work with employers in a genuine partnership approach;
35. Calls for an increased and more inclusive and transparent monitoring of CSR principles in EU trade policy, with clear benchmarks set for measuring improvements so as to encourage confidence in the system;
36. Notes that CSR is a mechanism which allows employers to support their workers and local communities in developing countries, that respect for CSR and labour standards enable such countries to benefit from further international trade, and that CSR can ensure that gains are shared equitably to develop sustainable economic and social prosperity and to lift more people out of poverty, especially in times of financial crisis; regrets that protocols for social intervention are currently only voluntary and urges the Commission to make these binding.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.12.2012
Result of final vote	+: 24 -: 2 0: 1
Members present for the final vote	William (The Earl of) Dartmouth, Maria Badia i Cutchet, Nora Berra, Daniel Caspary, María Auxiliadora Correa Zamora, George Sabin Cutaş, Christofer Fjellner, Yannick Jadot, Franziska Keller, Vital Moreira, Paul Murphy, Cristiana Muscardini, Niccolò Rinaldi, Helmut Scholz, Peter Šťastný, Robert Sturdy, Gianluca Susta, Henri Weber, Iuliu Winkler, Paweł Zalewski
Substitute(s) present for the final vote	Salvatore Iacolino, Silvana Koch-Mehrin, Maria Eleni Koppa, Katarína Neveďalová, Marietje Schaake
Substitute(s) under Rule 187(2) present for the final vote	Norbert Neuser, Birgit Schnieber-Jastram, Derek Vaughan

19.12.2012

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Employment and Social Affairs

on Corporate Social Responsibility: promoting society's interests and a route to sustainable and inclusive recovery
(2012/2097(INI))

Rapporteur: Morten Løkkegaard

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Encourages the EU to play an active role in raising awareness of the contribution enterprises can give to society through Corporate Social Responsibility (CSR) in the field of culture, education, sport and youth;
2. Encourages the EU as well as the Member States to provide concrete information on, and education and training in CSR, in order for enterprises to take full advantage of CSR and be able to implement it in their organisational culture;
3. Calls on the Member States to introduce tax exemptions for firms that fund voluntary work and non-profit initiatives;
4. Draws attention to the need for CSR to be incorporated into the curricula of educational establishments at all levels, including business schools, and into training programmes for managers and employees of small and medium-sized enterprises;
5. Encourages Member States to integrate CSR into relevant education curricula;
6. Underlines the importance of the link between enterprises and schools providing upper secondary education and, in particular, at higher education levels, and points to the role CSR can play in giving students practical experience during their studies, either on a paid part-time basis or in paid internships at the enterprises;
7. Encourages enterprises to provide quality internships, with a strong learning component, that ease the transition between education and employment, facilitate the development of skills relevant to the labour market and support the autonomy of young people;

8. Encourages enterprises to promote creativity and cultural projects within their CSR policies, in the context of civic commitment, and to stimulate sustainable growth and job creation;
9. Points to the importance of involving small and medium-sized enterprises in CSR and recognising their achievements in this area;
10. Encourages enterprises, in collaboration between management and labour, to inform employees about, and train and involve them in, the major social challenges affecting Europe, particularly as regards the economy, society, the environment and internationally;
11. Calls for the idea of sponsorship to be promoted among employers;
12. Points to the important contribution CSR can make in creating opportunities for learning and growth and in shaping and promoting social attitudes, civic commitment, professional ethics and social integration by way of high-level of interaction with society, as well as through intergenerational activities such as mutual mentoring and know-how transfer between old and young; stresses, in particular, the contribution CSR can make in creating opportunities for young people and developing their talents;
13. Stresses the importance of upholding human rights in relations with non-EU countries;
14. Welcomes the European award scheme for CSR partnerships between enterprises and others stakeholders, including educational institutions and sports organisations, as an important step in raising the visibility of CSR;
15. Stresses that Socially Responsible Investment (SRI), as part of the implementation process of CRS in investment decisions, combine investors' financial and economic objectives with social, environmental, ethical, cultural and educational considerations;
16. Encourages the Member States and the Union to take into consideration for their CSR agenda that cultural and creative SMEs can have a significant impact on social and environmental change by integrating social considerations and inducing long-term solutions to combat poverty by giving new impulses to the labour market;
17. Calls for research to be conducted into the reasons for the effectiveness or ineffectiveness of the various CSR strategies implemented;
18. Calls on the Member States to support and enhance the status of employee volunteering and employer-supported volunteering also in the context of CSR, as stated in the resolution of 12 June 2012 on recognising and promoting cross-border voluntary activities in the EU¹; emphasises that volunteering should not in any way affect employees' pay or work and that voluntary activities and paid work should complement one another;
19. Believes cultural content and media companies have a corporate social responsibility in ensuring that the fundamental rights of users are protected, and believes that self-regulation and deep packet inspection raise the risk of outsourcing police and law

¹ Texts adopted, P7_TA(2012)0236.

enforcement to the private sector;

20. Encourages media companies to include transparent journalism standards in their CSR policies, including guarantees of source protection and the rights of whistle blowers.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.12.2012
Result of final vote	+: 23 -: 0 0: 0
Members present for the final vote	Piotr Borys, Jean-Marie Cavada, Silvia Costa, Santiago Fisas Ayxela, Lorenzo Fontana, Mary Honeyball, Petra Kammerevert, Morten Løkkegaard, Emma McClarkin, Emilio Menéndez del Valle, Katarína Neved'álová, Doris Pack, Marie-Thérèse Sanchez-Schmid, Marietje Schaake, Marco Scurria, Hannu Takkula, Helga Trüpel, Milan Zver
Substitute(s) present for the final vote	Nadja Hirsch, Stephen Hughes, Iosif Matula, Raimon Obiols, Rui Tavares
Substitute(s) under Rule 187(2) present for the final vote	Leonardo Domenici

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	24.1.2013
Result of final vote	+: 26 -: 1 0: 11
Members present for the final vote	Edit Bauer, Heinz K. Becker, Jean-Luc Bennahmias, Phil Bennion, Pervenche Berès, Vilija Blinkevičiūtė, Milan Cabrnoch, Alejandro Cercas, Marije Cornelissen, Emer Costello, Andrea Cozzolino, Frédéric Daerden, Sari Essayah, Marian Harkin, Nadja Hirsch, Stephen Hughes, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Andrea Zannoni
Substitute(s) present for the final vote	Georges Bach, Malika Benarab-Attou, Sergio Gutiérrez Prieto, Richard Howitt, Paul Murphy, Ria Oomen-Ruijten, Gabriele Zimmer
Substitute(s) under Rule 187(2) present for the final vote	Jens Nilsson