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CSR: A PATHWAY TOWARDS ECONOMIC, SOCIAL AND ENVIRONMENTAL TRANSITION

Opinion of the Economic, Social and Environmental Council

submitted by
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on behalf of
The section for European and International Affairs

Question referred to the Economic, Social and Environmental Council by a decision of its office dated 26 February 2013 applying Article 3 of the amended Ordinance no 58-1360 from 29 December 1958, concerning the organic law relating to the Economic, Social and Environmental Council. The office entrusted the section of European and International Affairs to the preparation of an opinion on *CSR: a pathway towards economic, social and environmental transition*. The section for European and International Affairs, presided over by Mr. Yves Veyrier, appointed Mr. Alain Delmas as the rapporteur.

Table of contents

■ Summary of the Opinion	4
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■ Opinion	7
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Introduction	7
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■ A multiplicity of instruments	7
■ International instruments	8
■ European initiatives	12
■ The development of CSR in France	13
■ The development of the dynamics of CSR in Europe and in France	15
■ A rapidly evolving concept	15
■ The CSR to serve a new development model	16
■ The « <i>hard law/soft law</i> » : the complex frontiers	17
■ Recommendations	18
■ For a more assertive European strategy	18
■ For an active promotion of CSR	19
✎ Strengthen integrated reporting	19
✎ Ratify the ICESCR	19
✎ Encourage the development of international framework agreements	19
✎ Ensure a quality dialogue with stakeholders	20
✎ Consolidate the National Contact Points (NCPs)	20
✎ Encourage the development of CSR by SMEs and VSEs	20
✎ Render the information on CSR more accessible	20
✎ Introduce greater transparency in lobbying	21
✎ Advance international law in the area of parent company / subsidiary relationships	21

✎ Ensure respect of social and environmental standards at international level	22
Conclusion	23
■ Declarations by the Groups	24
■ Voting	39
Annexes	41
Annexe n° 1: composition of the section for European and International affairs	41
Annexe n° 2: Table of Acronyms	43
Annexe n° 3: Glossary	44
Annexe n° 4: Bibliography	46
Annexe n° 5: List of interviewed persons	47

CSR: A PATHWAY TOWARDS ECONOMIC, SOCIAL AND ENVIRONMENTAL TRANSITION

Summary of the Opinion¹

As a result of globalisation, new players, including the multinational corporations (MNE), have emerged over the years, imposed and affirmed alongside the Nation States. At the same time, increasing economic, social and environmental crises weaken the future of the planet and raise increasingly strong awareness in favour of the definition of new methods of production, consumption, transportation...

To speed up the step in that direction, the need to take into account universal international standards and corporate social responsibility - CSR - which is based on different instruments, is often referred to. At international level, this includes: the ILO Tripartite Declaration on Multinational Enterprises, the OECD Guiding Principles for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ISO 26000 standard, the International Framework agreements, the International Covenant on Economic, Social and Cultural Rights, the Global Compact. At European level, the updated communication from the European Commission of 25 October 2011, on its "new strategy on corporate social responsibility", disclaims a detailed action programme constructed around eight goals. In France, the Grenelle 2 law and the roadmap following the environmental conference in September 2012 paved the way for a stronger consideration of CSR.

During the 1990s, CSR has gradually forged its legitimacy and is invoked more and more often. On the one hand, it is now recognised as one of the tools for sustainable development, designed to meet the needs of present generations without compromising the ability of future generations to meet their own needs. On the other hand, the notion of CSR falls into the international legal framework with: an initiation in building legal standards, the emergence of the idea of collective negotiation on a global scale with international framework agreements, the expansion of the responsibility of the company as regards its sphere of influence...

Recommendations

For a more assertive European strategy

The ESEC recommends:

- the construction of a European framework for non-financial reporting;
- the implementation of action lines drawn from communication from the European Commission on the aforementioned need to take into account social and environmental considerations in public procurement, of encouragement for companies with approaches which are socially and environmentally responsible...;

1 The entire draft opinion was adopted by public vote with 143 votes in favour 8 against and 2 abstentions (see the result of the vote annexed).

- the implementation, in the spirit of its previous opinions, of the next EU Generalised System of Tariff Preferences (GSP) primarily for the poorest States due to come into force on 1 January 2014.

For an active promotion of CSR

👉 Strengthen the integrated reporting by emphasising:

- the submission to the same reporting requirements for the companies whose securities are listed on a regulated market and for
- unlisted companies:
- the establishment of an assessment process for the implementation of the provisions of the Grenelle 2 law, particularly in terms of social reporting;
- the strengthening of environmental reporting, in particular on information relating to the protection, biodiversity and adaptation and the fight against climate change;
- the strengthening of the dialogue between companies and stakeholders;
- the recognition of new information rights for the benefit of staff representative bodies.

👉 Ratify the ICESCR:

- by pointing out the importance of the ratification by France of this Protocol.

👉 Encourage the development of international framework agreements, emphasising:

- for the implementation of these agreements, the necessity of meeting a number of conditions defining specific targets with a timetable for implementation and appropriate reporting, provision of a joint monitoring structure to the agreement endowed with sufficient resources;
- The importance to communicate to negotiators the extra-financial ratings of MNEs involved.

👉 Guarantee a quality dialogue with stakeholders:

- by moving from an exercise in communication and information to involvement in decisions as early as possible based upon extensive reciprocal commitments beyond the social partners.

👉 Consolidate the National Contact Points (NCPs):

- advocating for an independent representation, in the NCPs, of social partners in respect of public authorities;
- voting for the full implementation of equal treatment of the parties and the “adversarial principle” in the examination of files;
- by granting the parties means to enable them equal access to procedures.

Encourage the development of CSR using SMEs and VSEs

- focusing, in the national and European context relating to CSR, on the definition of support and development strategies based on the exchange of best practices, development of guides and the introduction of specific measures for the smallest of them;
- by strengthening the role of professional organisations and consular networks.

Render the information on CSR more accessible:

- by supporting all initiatives likely to assist policy-makers and elected representatives to fully assume their leadership role in promoting CSR, sustainable development and responsible citizenship;
- by recalling the commitment of the Commission to establish a data information platform about CSR;
- by creating, at European level, an independent certification of non-financial rating agencies.

Introduce greater transparency in lobbying:

- by suggesting the inclusion, in reports on CSR and sustainable development prepared by companies, of details about their lobbying practices.

Advance international law in the area of parent company / subsidiary relationships:

- by advocating an in-depth reflection for a greater understanding, particularly in the event of misleading appearance or improper interference, and in the light of recent developments in jurisprudence, of parent company / subsidiary responsibilities.

Ensure respect of social and environmental standards at international level:

- by increasing the significance and the role of the WHO and the ILO and the creation of a world environmental organisation;
- by fighting against all dumping practices through a definition of the selection criteria for suppliers and subcontractors, based on the notion of best practices in social and environmental issues and the inclusion of environmental and social clauses in bilateral trade agreements and regional partnerships;
- by striving for a more proactive implementation of the Decent Work Agenda and the Global Jobs Pact by States and international organisations;
- by recalling the commitment of our assembly to the adoption, in 2015, of a comprehensive international agreement on the climate and compliance with the commitments coming out of the Convention on Biological Diversity.

Opinion

Introduction

Under the impact of globalisation, financialisation of the economy and the acceleration of trade, the Nation States are no longer the only players on the international stage. New players - particularly the trade unions, civil societies, non-governmental organisations, multinational corporations - have, over the years, imposed and affirmed themselves by changing the balance of power.

At the same time, increasing economic and social crises and environmental catastrophes weaken the future of the planet, and raise increasingly strong awareness in favour of the definition of new methods of production, consumption, transportation...

The inscription, in recent years, on the agenda of major international meetings, issues of sustainable development, financial regulation and environmental protection reflect this major concern and urgency to act.

To speed up the step in that direction, the need to take into account universal international standards as well as the CSR is often referred to. The phrase originated in the United States, under the name of Corporate Social Responsibility, its translation is the subject of debate: should we speak of "Social responsibility of corporations" or "Societal responsibility of corporations"?

The ESEC, as the International Organisation for Standardisation with the ISO 26000, expressed a preference for the broader concept of social responsibility, whose complexity and evolving nature are perfectly rendered by the definition set by the Commission even though it retains the terminology of corporate social responsibility. In its communication dated 25 October 2011, last updated on 7 November 2012, the Commission defined it as "the responsibility of enterprises for their impacts on society" before adding "that in order to fully perform their social responsibility, agrees that companies have engaged in close cooperation with stakeholders, a process designed to integrate social concerns, the environment, ethics, Human Rights and consumers in their business operations and core strategy."

In the continuation of previous work on the French presidency of the G20, international climate negotiations and the Rio+20 Conference, our assembly aims, with this view, to contribute to the promotion of CSR as an instrument for sustainable development and a renewed conception of world society and human relationships at international, European and national levels.

A multiplicity of instruments

The existing instruments at international level, in the European Union and in France, are extremely diverse. All of them, with their strengths and weaknesses, contribute to the dynamics of CSR.

International instruments

□ *The ILO Tripartite Declaration on Multinationals*

This text, adopted by the Board of Directors of the ILO (International Labour Office) in 1977 and amended in 2000 in order to incorporate the Declaration on Fundamental Principles and Rights at Work of 1998 and 2006, has a purpose to encourage multinational enterprises - MNEs to “contribute positively to economic and social progress”. This is the only international tripartite universal scope dealing with MNEs. Despite the willingness of trade unions to recognise it as a binding value, it has only declaratory value. Five themes are addressed: standard policy, employment, training, conditions of work and life, business relations.

Two original aspects of the Declaration deserve to be immediately emphasised:

- On the one hand, its recipients, since it aims directly towards MNEs, but also the States as well as representatives of workers and employers;
- On the other hand, the accuracy of its contents whose detailed provisions refer to the Conventions and Recommendations of the ILO (International Labour Organisation). This having the advantage to confer coherence to the entirety and to strengthen its legitimacy.

The concept of CSR adopted by the Declaration is to encourage MNEs to respect the substantive law, particularly the law of the country of origin of the parent company, without necessarily going beyond, as is the case for the Guiding Principles of the Organisation of Economic Cooperation and Development (OECD). Finally, although referring to a non-binding text, Emily Sims, Senior Programme Specialist of Multinational Companies in the ILO, interviewed by the section, recalled that a procedure for the review of different laws relating to the interpretation of its provisions, in case of divergence, could be switched to the ILO.

Given its complexity, this procedure is rarely implemented by the States, trade unions and MNEs: up to 2009, only five appeals were filed. For it must be stated that despite its wealth, its originality, the ILO Tripartite Declaration suffers from reduced visibility when compared to other international instruments, its scope of application is limited to social relations when CSR covers issues beyond the five themes encompassed by this text.

□ *OECD's Guiding Principles for multinational enterprises*

The Guiding Principles are recommendations addressed by governments to MNEs to encourage reasonable business conduct in the areas of business relations, Human Rights, the environment, taxation, disclosure, the fight against corruption, consumer interests, science and technology and competition.

An extraterritorial instrument, because it applies to companies operating beyond the borders of their country of origin, it covers through eleven chapters, traditional CSR themes such as the environment, social, governance, but also since the update of 25 May 2011, Human Rights, the fight against poverty, corruption and consumer interest.

This new section, inspired by the Guiding Principles on Business and Human Rights adopted by the Council of Human Rights of the United Nations, recognises a duty of due diligence for companies in the scope of their activities and their business relationships. The OECD Guiding Principles devote, in that capacity, explicitly the responsibility of enterprises

vis-à-vis Human Rights carried by their suppliers and subcontractors, as well as the rights to consultation and compensation for populations affected by their activities.

Forty-five countries have joined this instrument: thirty-four OECD countries and eleven non-member countries (Argentina, Brazil, Colombia, Egypt, Jordan, Latvia, Lithuania, Morocco, Peru, Romania, Tunisia). Costa Rica is in the process of accession and eventually the Ukraine and Kazakhstan. In fact, all of Latin America, the Middle East and countries around the Arctic Circle, with the forthcoming accession of Russia to the OECD, are covered by the OECD Guiding Principles.

The Guiding Principles are originally based upon “complaints” mechanism which, although non-judicial, give civil society a means of action and media coverage of violations via the National Contact Points -NPC-. These companies are designed to supply a mediation and conciliation platform to resolve practical questions likely to arise in the application of these principles.

□ *The UN Guiding Principles on Business and Human Rights*

On 17 June 2011, the Council of Human Rights of the United Nations adopted the “Guiding Principles on Business and Human Rights”. This unanimous adoption of employers’ organisations, employees and the defence of Human Rights is considered a major event for the protection of Human Rights and for the evolution of the concept of CSR.

Organised into three pillars -“protect, respect, remedy”- they raise:

- **the affirmation of the central role of the state** in the protection and promotion of human rights vis-à-vis business;
- **a priority of prevention and risk management.** Bearing in mind that CSR was mainly built around the idea that companies are corporate citizens, invited to contribute positively to the achievement of common well-being, and more recently, to long-lasting development;
- **extended liability to the value chain.** The Principles argue that the responsibility of the company covers the part of the value chain in which it has the capacity to act upon. According to the method of “due diligence”, it falls to the company to allow its suppliers (subsidiaries or not) and clients to perform a systematic review of its practices or risks and to ask them, if appropriate, to make necessary adjustments;
- **the reference to written and mandatory law of Human Rights and Employment Law:** the Human Rights Charter, composed of the Universal Declaration of Human Rights from 1948 and the two Treaties finalised in 1966 (Civil and Political Rights on the one hand, Economic, Social and Cultural Rights on the other); the eight fundamental conventions of the ILO identified in the Declaration relating to the fundamental Employment Principles and Rights from 1998. While some countries do not recognise some of these international instruments, companies are very explicitly encouraged to respect their spirit.

A mechanism monitoring the implementation of these Principles has been established by a committee of experts representing five continents.

□ *Standard ISO 26000*

It was in November 2010, at the end of a writing process that lasted more than five years, that the final draft of the International Standard ISO 26000 was approved with a large majority (93%) by the member countries and organisations of the ISO (International Organisation

for Standardisation). Some countries like the United States, Cuba, India, Luxembourg and Turkey, which participated in the creation of the standard, have nevertheless voted against it. However, ISO 26000 remains the result of a broad consensus.

This international standard, which refers to standards of behaviour built by the ILO and the OECD, defines corporate social responsibility of the company as “responsibility vis-à-vis the impacts of its decisions and activities on society and the environment, resulting in a transparent and ethical behaviour that contributes to sustainable development, health and well-being of the society, [which] takes into account the expectations of stakeholders, respects the laws, [which] is consistent with international standards of behaviour, [which] is integrated throughout the organisation and implemented in its relationships.”

To guide the dialogue with stakeholders, the authors identified seven key issues:

- Governance of the organisation;
- Human Rights;
- Relations and working conditions;
- Environment;
- Fair practices;
- Consumer issues;
- Communities and local development.

The logic of the ISO 26000 standard is different from the standards for technical purposes, but also from the standards used in the context of quality management (ISO 9000 and ISO 9001) or the environment (ISO 14000 and ISO 14001). It aims to assist in the understanding of what CSR is, and appears as an international standard, common to all public and private organisations. In short, it is a sort of practical guide designed to facilitate dialogue around CSR and therefore not destined to lead to company certification unlike other ISO standards. Notably, the guidelines of ISO 26000 have introduced the sphere of influence concept and draw on best practices from existing social responsibility initiatives. For this purpose, ISO has established a Memorandum of Understanding with the ILO to ensure consistency of ISO 26000 with labour standards set by the institution. ISO proceeded in the same manner with the OECD.

However, ISO 26000 has some limitations resulting from its specificity. In fact, it does not provide any procedure for control, accountability or sanctions and is not meant to do so. Its use is of a different order: it is a guide that has been developed to meet the needs of companies and organisations that wish to implement a CSR approach. ISO is primarily a practice of CSR which can help to advance the law through its use. The ISO 26000 standard, which marks a strong desire not to encroach on the field of action of other international institutions, is an instrument that is not within the scope of standardisation nor regulations.

□ *The development of international framework agreements.*

According to Isabelle Daugareilh, director of research at the University Bordeaux IV, the framework agreements may emerge as the most advanced standard and closest to the spirit of CSR. From a dozen in 2000, we counted 224 of them at the beginning of 2012, concerning more than 10 million employees. Negotiated by the social partners, they are an important

tool allowing to expand the provisions of collective agreements negotiated at the national level into the European or international realm.

Two types of agreements can be distinguished: the international framework agreements (IFAs) - 81 of them, and the European Framework Agreements (EFAs) - 143 of them.

IFAs are negotiated and signed by a multinational company and, on the union side, by representatives of the International Trade Union Federation (ITUC). EFAs bring together the most diverse players: representatives of the European works council and / or representatives of the European trade union federation and / or representatives of national unions from corporate headquarters.

In addition, two types of agreements are differentiated by their content. IFAs deal mostly with fundamental social rights as described in the ILO Declaration of 1998. But some IFAs deal with other issues such as health and safety, working conditions, compliance with international environmental standards. The commitments made by a number of IFAs are also intended for their affiliates, subcontractors and suppliers. The majority of IFAs set up a joint structure between management and representatives of employees to monitor the implementation of the agreement.

These practical field experiences shared by everyone at the highest level are often seen as a step in the structuring of international social and environmental standards. They could open in the future, the way to judicial remedies.

□ *ICESCR: International Covenant on Economic Social and Cultural Rights.*

Adopted by the UN on 16 December 1966, it came into force in France on 4 November 1980. It refers, in particular, to the right to work, the right to fair and favourable working conditions, the freedom of association and to the right to health care.

Pursuant to Article 55 of the Constitution, according to which *“Treaties or agreements duly ratified or approved shall have a higher authority than the laws upon their publication; for each agreement or treaty subject to its application by the other party”*, the ICESCR may, since 4 November 1980, be relied upon by any person in a trial if they consider that the French law is contrary to the rights protected under the Covenant. Although the French jurisdictions are increasingly applying it, the number of convictions on the basis of this treaty is still low. This is actually the work of the Committee on Economic, Social and Cultural Rights of the United Nations (CESCR), which provides daily monitoring of compliance.

Initially, the specialised Commission of the Economic and Social Council (ECOSOC), CESCR has become a body in its own right responsible for ensuring the implementation of the ICESCR by the Member States. It is composed of independent experts and can only make observations devoid of any binding force. On 10 December 2008, the General Assembly of the United Nations enabled the CESCR to receive individual complaints. This means that from now on, provided that the States which have ratified the ICESCR, have also ratified the Additional Protocol adopted in 2008, any citizen can refer this body and expose national policies inconsistent with the above provisions. This is a first in history, and it has particular consequence to align the protection of economic, social and cultural rights with those that apply to civil and political rights (including freedom of speech, religion, the right to refer to courts etc.) since 23 March 1976, the date of adoption of the Additional Protocol to the International Covenant on Civil and Political Rights (ICCPR).

□ The Global Compact

Initiated by the Secretary-General of the United Nations, Kofi Annan, at the World Economic Forum in Davos in January 1999 and officially launched in July 2000, the Global Compact asks, in a spirit of “responsible and sustainable development”, the businesses to respect ten “principles” relating to human rights, environment, labour standards and the fight against corruption. The Global Compact aims to “promote positive corporate behaviour”. Companies which have signed it, agree to publish at least once a year on the website of the Global Compact, the concrete measures they have adopted. However, this initiative does not refer to ILO conventions and some NGOs and trade unions are challenging its efficiency.

European initiatives

After an initial Green Paper published in 2001, the European Commission presented a communication of 25 October 2011, updated 7 November 2012, its “*new strategy on corporate social responsibility*”, underpinning the previous definition of CSR. The aim is twofold: to strengthen the positive impact of enterprises and prevent and mitigate their negative effects.

In its communication, the Commission shall attach a detailed action program, built around eight objectives:

- Strengthen the visibility of CSR and circulate good practice. The European Union will create a European award for CSR and implement sectoral platforms encouraging companies and stakeholders to make commitments and to work together to ensure progress.
- Measure and improve the level of confidence in companies by means of a public debate on the role and potential of enterprises and studies on the confidence of citizens in business.
- Enhance self-regulation and co-regulation processes. The Commission proposes to develop a Code of Best Practices, governing the future initiatives for self-regulation and co-regulation.
- Enhance the attractiveness of CSR for companies. The Commission proposes that the EU relies on its policies for consumption, investment and government procurement to encourage responsible corporate behaviour.
- Improve communication through social and environmental information companies with a new directive on extra-financial reporting.
- Further integrate CSR into education, training and research. The Commission supports training projects and funds research in the field of CSR.
- Emphasise the importance of national and sub-national policies on CSR through plans for promoting CSR.
- Bring closer together European and global CSR designs by integrating into thinking the aforementioned international instruments.

Finally, the European Commission proposes a system of monitoring and evaluating work undertaken in the field of CSR either by Member States, companies or trade unions. The objective is to prepare a review meeting in 2014, supported by the implementation of

the action programme. However, the momentum generated by the European Commission leaves insufficient room for dialogue with stakeholders associations.

At the Competitiveness Council of December 2011, Member States have welcomed the new CSR strategy, pointing towards “commercial benefits of responsible business conduct”. However, the Council specifies, quite rightly, that it should “ensure that the promotion of CSR does not cause unnecessary administrative burdens for businesses”. In the same spirit, the two reports adopted in February 2013 by the European Parliament, called on the Commission to set a number of guidelines for the development of CSR among SMEs, insisting on the necessity to take into account specificities and constraints linked to this category of companies in order not to generate additional administrative or financial burdens.

To complete the CSR arsenal, the European Commission published on 16 April 2013 as part of its Accounting Directives revision project, several provisions on non-financial reporting (4th and 7th Accounting Standards). This new directive is a positive first step in this field insofar as it acknowledges the need to increase corporate transparency vis-à-vis the social and environmental impacts of their activities.

The development of CSR in France

□ From the law on new economic regulations (NRE) of 2001 to the “Grenelle 2” law

A major point of the NRE law, section 116, is that it requires listed companies to include in the annual report of the Board the information on how the company takes into account the social and environmental consequences of corporate activity. This approach was amplified and strengthened with the Grenelle Environment Forum held in September and October 2007, which resulted in two statutes, commonly called Grenelle 1 and 2 laws. Section 225 of the Grenelle 2 law, Law no. 2010-788 of 12 July 2010 on national commitment to the environment, in effect imposed to companies whose securities have admitted to trading on a regulated market and to companies whose total assets or turnover and number of employees exceed the thresholds set by decree of the Council of State to introduce “information on how the company takes into account the social and environmental consequences of its activities and on its social commitments in favour of sustainable development”. Finally, the law of 16 June 2011 has extended this obligation to inform the action taken “for the fight against discrimination and the promotion of diversity”.

These are indeed the first legislative steps towards a corporate social responsibility.

The system has made significant changes which place France at the forefront of CSR reporting obligations. Firstly, the scope of the obligation has expanded considerably between the two laws: all unlisted companies with over 500 employees must publish such information, as NRE covered only listed companies. In addition, non-financial information must now be considered at group level, which includes all French and foreign subsidiaries. Secondly, the list of information to be published has grown considerably: the aforementioned decree application has increased to 42 - against around twenty originally - the number of categories of information that companies must learn. In addition, the introduction of a mandatory audit by an independent third party is a very important evolution of the text: France is now the only country in the world to adopt this requirement. The specific terms of this verification must still be specified by decree.

This system is, however, subject to certain limitations.

On the one hand, the provisions that allowed representative institutions and stakeholders to present their views on approaches to social and environmental responsibility in addition to the indicators presented were abolished by the law of banking and financial regulations of 22 October 2010.

On the other hand, if Article 225 provides the verification by an independent third party with this information, the intentions of the government are not very clear about the role of the extra-financial rating agencies.

Finally, improvements have been incorporated in terms of social information with consideration of the impact of activity on the local people, corruption, actions to protect the health and safety of consumers, human rights, but within these aspects, the implementing decree appears in the background. Indeed, in its social aspect, certain information is still not mentioned on the company balance sheet - which it is true that it is only provided to companies' Committees. As for its environmental part, it contains no significant innovation, with the exception of information on the release of greenhouse gas emissions, adaptation to the impacts of climate change and the measures taken to preserve or develop biodiversity.

□ *The extra-financial rating*

The subject appears in different places of the CSR national action plan, which is not surprising. Indeed, the extra-financial rating plays an important role, especially in France in the construction of financial products called SRI (Socially Responsible Investment). The open thought between the government and social partners on the process of socially rating companies has also happened with shareholders and other stakeholders (including rating agencies), giving a better understanding of the overall performance of the companies.

In 2012, 28 organisations with an extra-financial rating existed in the world (consistent over 5 years) including VIGEO, of which the section interviewed the director of institutional relations and methods, Fouad Benseddik. As rating agencies, they provide information on firms to clients - investors, fund managers, corporations themselves - and can either provide the rating for others (declarative rating) or carry out audits and consulting engagements with companies (requested rating). But agencies provide a social and environmental rating on the company, highlighting elements, other than just financial results. They measure, in fact, the awareness of the interests of other stakeholders in the company that contribute to its creation of value.

The ESEC rating, however, is not a substitute for social dialogue and broader dialogue with civil society.

Evaluation requires, in any case, extremely substantial human and financial resources. At present, the economic viability of agencies' extra-financial rating is not always provided and the question of independence arises.

It is therefore legitimate to ask whether the agency extra-financial ratings are not likely to reproduce some defects of credit rating agencies, such as conflicts of interest between rating activities and advisory activities on which these have rightly been criticised during the "subprime" crisis, or lobbying for companies with a solicited rating and therefore payable.

□ *The roadmap for the ecological transition*

The adopted environmental conference in September 2012, is divided into five objectives: preparing the national debate on energy transition; making France an exemplary country in terms of regaining biodiversity; preventing environmental health

hazards; improving environmental governance and implementing a green tax to finance the transition.

The Prime Minister, in his closing statement, stressed the importance of CSR and the obligation for companies to establish a social and environmental report. He even felt that CSR has “not really been properly implemented”. He, on this occasion, also announced changes to the decree of application “for the distinction established between listed and unlisted companies to be replaced by a more relevant criterion relating to the size companies”. Finally, he referred questions of occupational health and environmental risks, particularly in the context of representative institutions to inter-professional negotiations between social partners.

With the Final Provisions dated, the government would create a CSR platform, under the supervision of the Prime Minister, however, the initialisation met some difficulties. Concurrently, he told three people a CSR mission must report its findings to the Social Conference in June 2013.

All of these tools, which aim to promote real development of CSR in France, is open to both large companies and SMEs. These are indeed more likely to voluntarily take into account the dimension of CSR as part of their development. Front section, Mr. Gérard Libero, vice president of the National Federation of Cooperative Societies of building production, and Mr. Olivier de Carné, head of the working group AFNOR “ISO 26000 food and agriculture” project, and manager of the “Industries-Distribution-Consumer” Department of Coop de France, have emphasised the value of CSR as a tool for economic transition. Mr. Libero rightly believes that this concept is central to the changes taking shape in “a crisis of adaptation to change” context, which particularly affects SMEs, which includes the vast majority of cooperatives. It is essential, in his view, to understand these changes in order to better understand and be able to adapt.

The development of the dynamics of CSR in Europe and in France

A rapidly evolving concept

The Green Paper in 2001 defined CSR as *“a concept that refers to the voluntary integration by companies of environmental concerns in their business operations and relations with stakeholders”*.

But far from being a static concept, it has evolved on the premise that companies are in a constant motion of interacting with their environment. In the words of Bernard Saincy, director of corporate social responsibility for GDF-Suez, they constitute an “ecosystem” with their environment and, therefore, they have a responsibility with respect to the latter.

The main international standards CSR marry in their content, continuous motion. This is the case of the OECD Guidelines for Multinational Enterprises, especially since the update in 2011, with the recognition of a responsibility towards the environment and the enactment of a general principle of the need for multinational companies to operate “*due diligence*” to prevent or mitigate the negative consequences of their activities, including the management the supply chain.

This is also the case of the ISO 26000 standard: it emphasises that controlling the impacts of its decisions and activities on the environment of an organisation is expected.

Finally, the design behind the new definition of the European Commission of CSR, aforementioned, which states that to fulfil their social responsibility, it is necessary that companies have engaged in close collaboration with their stakeholders, *“a process designed to integrate social concerns, environmental ethics, human rights and consumers in their business operations and core strategy”*.

CSR to serve a new development model

From the point of view of the ESEC, the primary objective of CSR should be to meet the expectations of society in a sustainable development perspective. It is thus primarily a tool for the sustainable development designed to meet the needs of present generations without compromising the ability of future generations to meet their own needs. One way to achieve this goal for companies, is to place them in a progress in the three dimensions of sustainable development.

CSR is often presented as a tool for non-cost competitiveness. Such, for example, is the approach based on the preparatory document of national corporate social responsibility in France established by the government. CSR is presented as *“a lever for competitiveness of enterprises, in particular those on international markets”*.

The ESEC believes this approach should be discussed.

Extensive literature exists on this issue in Europe, but even more so in the United States, and has done for several decades. It leads to controversial conclusions. If any part of this work estimates that there is a positive correlation, it does not suggest the meaning of the relationship, nor the nature of causality. Further work will be in the opposite direction or be cautious about the findings.

The economic arguments in favour of CSR are known: close relationships with customers, implementation in the territories, arguments relating to eco-efficiency (saving energy, materials, water, waste recovery), arguments relating to the image and reputation, new market opportunities, innovation and the acquisition of new skills, arguments relating to the reduction of risks (legal and reputational)...

CSR can, in addition, have a positive impact through another channel, namely savings. SRI can direct savings flow to the highest performing companies as regards a social or environmental point of view. The same is true of investment in favour of the social and connected economy.

But the criteria for the existence of a competitive advantage relating to CSR, focuses on activities with particular characteristics: moderate competition and demand for CSR consumers. However, more broadly, and as noted by Robert Durdilly, Chairman of the CSR Committee of MEDEF, at the hearing, socially responsible corporate behaviour is likely in the short term to lead to costs, however may, in the future, prove to be real beneficial investments. Nevertheless, in the short term, the costs involved can weaken the competitiveness of enterprises, as all countries, including developing countries, will not apply the same rules. Indeed, in a globalised economy, the quest for competitiveness depends, in part, on the

research of minimising production costs, outsourcing the production chain, coupled with an irrational exploitation of natural resources.

The problem can also be approached from a different angle, namely the possible impact of CSR on growth potential. A greener economy of the environment, based on the development of human capabilities based on a virtuous interaction between populations north and south will carry forward a positive effect on economic development as a whole.

The “*hard law/soft law*” report: the complex frontiers

The development of CSR was part of the original, as Michel Doucin recalls, in the legal world of the *common law* from the Anglo-Saxon world, built right pragmatically by the judge rather than by law.

The evolutions in the concept of CSR since the millennium lead to highlight some complex relationships of the *hard law/soft law*, rather than binary opposition.

In this regard, international labour law, international environmental law and universal human rights, as solemnly affirmed they were, face to the lack of legal status of MNEs. But at the same time, the development of international instruments, which are not devoid of effective and good practices around CSR, stirs things up.

It should in this context be distinguished between the standards produced unilaterally by businesses and standards from various international institutions.

With regard to commitments made by companies, and as stated by Professor Michel Capron of the Université de Paris Est Creteil at the hearing, there are a number of cases where codes of conduct or voluntary commitments from the company give rise to trial because the company did not behave according to what it stated in its Code of Conduct (the Nike case in the United States and the recent Erika case in France).

Thus, there is a fairly significant case law in the United States which shows that a company can be convicted or have legal problems if it does not meet the requirements that it has committed to in its code of conduct.

French jurists consider that codes of conduct can be likened to an internal regulation, and that complainants may also use consumer law to argue false advertising when, for example, the company lied about the absence of children to work with a subcontractor.

With IFAs, we are witnessing the emergence of collective bargaining worldwide. Within European framework agreements, the social dialogue in Europe is gaining momentum. However, in reality, the signed commitments assume that the agreement provides reporting tools and staff representative bodies internationally (world group committee, for example), allowing them to control reality, in respect of compliance commitments.

A dynamic dialogue is also necessary with external stakeholders, in which NGOs and local communities are members.

The standards set by international institutions, which have been described in the first part of this opinion, also lead to an initial drafting of legal standards internationally. But contrary to national law, they lack in general to be articulated to a power constraint.

The OECD Guidelines for Multinational Enterprises with regard to the national contact points, whose role has been strengthened by the emergence of the concept of “due diligence”, is a very important innovation in philosophy control devices established by international institutions. As expressed by Michel Doucin, *“Through the NCP, soft law is being transformed [...] we are in a process of judicial construction of something that is not quite soft law”*.

This does not make redundant production rules of law in particular at the international level, provided they are implemented.

Recommendations

For a more assertive European strategy

CSR needs a balanced policy and regulatory incentives, declined according to the size of companies and industries. In line with the guidelines of the aforementioned Commission communication, the European Union is actually in favour of the ESEC as a relevant space for the construction, in the context of discussions and developments, led to this framework internationally.

The ESEC is in favour of the consolidation of the European framework on non-financial information. It also supports the action lines drawn in communication with an emphasis on the need to take into account social and environmental considerations into public procurement, mobilisation of savings, especially savings pay for development of SRI, recovery of more sustainable consumption and encouraging carriers towards socially and environmentally responsible business approaches. Communication of the European Commission further clarifying the importance of CSR, has developed under the leadership of the companies themselves, governments have a role to support combining voluntary measures and, in some cases, providing additional regulations: our assembly supports this direction.

In the same spirit, and in line with its previous opinions, our next meeting approves the tariff preferences of the EU (GSP) in the direction priority of the poorest states which will come into force on 1 January 2014, which provides in its section called GSP + tariff reductions strengthened for countries to sign, ratify and effectively implement a series of 27 key UN conventions and ILO on human rights and labour rights, as well as environmental protection and good governance. In 1997, Burma temporarily lost the GSP system due to widespread use of forced labour in violation of ILO conventions and the UN. Still, in a more general way, it is regrettable that the European Union has not sufficiently conditioned its development assistance and project financing compliance with European and international standards of CSR.

For an active promotion of CSR

Strengthen integrated reporting

Citizen Forum for Corporate Social Responsibility has filed an appeal with the Council of State against the **decree under Article 225 of the Grenelle 2 law**. Four main reasons for the appeal. Firstly, the distinction between listed and unlisted companies, which complicates the presence of two lists of indicators and distorts competition. Secondly, some social indicators have disappeared. In addition, the Forum considers that the plan was largely down to the Warsmann law, which states that *"subsidiaries or controlled companies which exceed the threshold (...) are not required to disclose the information referred to in the fifth paragraph of this article when the information is published by the company that controls, within the meaning of Article L. 233-3, in detail or controlled by a subsidiary company, and that they indicate how to access it in their own management report."* This does not change the requirement to consolidate information at the group level (that is to say, including all subsidiaries whether French or foreign) as indicated by the Grenelle 2 law. The Committee, in its opinion "Assessment of the Grenelle on environment" of February 15, 2012, had welcomed the momentum in favour of the environment that fostered ownership issues and a broad consensus around a number of proposals. However it notes, with regret, very strongly that in its provisions, the decree is not to display ambitions.

Our assembly emphasises the importance:

- of companies being subject to the same reporting requirements as companies which are listed on a regulated market and as unlisted companies;
- of carrying out an assessment of the provisions of the Grenelle 2 law before considering any changes especially in social reporting, particularly with regard to employment contracts;
- of strengthening environmental reporting, including information relating to the protection of biodiversity and to the adaptation and the fight against climate change;
- of strengthening the dialogue of companies with stakeholders;
- of recognising new rights to information for the benefit of staff representative bodies.

Ratify the ICESCR:

To this day, 42 states, including France, have signed the Additional Protocol to the ICESCR, and 10 have ratified it.

The ESEC therefore calls today to the ratification by France of this Protocol, as was done in Europe, Spain, Portugal and Slovakia. Otherwise, the procedure of individual complaint to the CESCR, in force since May 5, cannot be applied to our country.

Encourage the development of international framework agreements

IFAs are part of a pragmatic process, sharing the highest level of construction of the standard implementation on a parity basis, mixed and negotiated.

The ESEC considers it appropriate to encourage all French multinational companies to negotiate such agreements. However, he stressed that the implementation

of these agreements involves meeting a number of conditions: the definition of specific objectives, available in all subsidiaries and associated with a timetable for implementation and appropriate reporting, the establishment of a joint monitoring structure of the agreement (or group of people monitoring the Committee of the Agreement) with sufficient operational resources.

The Committee also suggests, in the context of negotiating international framework agreements, that extra-financial ratings of MNEs involved are systematically brought to the attention of the negotiators.

Guarantee a quality dialogue with stakeholders

The ESEC considers that improving the level of societal dialogue is a factor in reducing risks and uncertainties for the company. The ISO 26000 guidelines also devote an entire chapter to dialogue with stakeholders and can provide businesses with practical tools to implement this dialogue.

For our assembly specifically, **societal dialogue**, that companies are able to interact with players in their sphere of influence **must be a major focus of the CSR strategy**. It is moving from a period of communication and information at the most advanced involvement of possible decisions. In this sense, it is about broader reciprocal commitments, beyond the social partners, that we have to think about.

Consolidate the National Contact Points (NCPs):

The mapping of NCP has some heterogeneity. While some are under the supervision of the government, others have greater independence, like the existing structures in the Netherlands or the United Kingdom. About their operation, it is, according to the configurations, bipartisan tripartite, quadripartite, with reports not always balanced.

The ESEC advocates for an independent representation, in the NCPs, of social partners in respect of public authorities. It is also very committed to the full implementation of equal treatment of the parties and the “adversarial principle” in the examination of files. To this end, the ESEC recommends that the parties have the means to enable them equal access to procedures that may be engaged.

Encourage the development of CSR using SMEs and VSEs

In light of the two European Parliament reports aforementioned, **The ESEC recommends, in the context of national and European plans on CSR, to encourage its development in SMEs with emphasis on: a review of current practices of SMEs:** the need to define strategies to support and develop together, tailored around guides and specific measures for the smallest of them, the consolidation for this purpose of the role of professional organisations and consular networks.

Make the information on CSR more accessible

Paragraph 47 of the Final Declaration of Rio+20 in June 2012 emphasises the importance it attaches to the disclosure by companies, information on the environmental impact of their activities and encourage, in specifically targeting listed companies and large corporations, to explore the possibility to include, in their periodic reports, information on the sustainability of their activities.

In its communication on CSR, the European Commission stresses *“there is often a gap between people’s expectations and what they perceive to be the reality of corporate behaviour”*. It is true that the wealth of information and tools do not facilitate the perception and appropriation of CSR issues, whether by public actors or private actors. **ESEC is proud to support all initiatives likely to assist policy-makers and elected representatives to fully assume their leadership role in promoting CSR, sustainable development and responsible citizenship.** It is also essential that teachers and researchers, through their educational activities and research, are fully involved in the distribution of information on CSR.

The Commission, in its communication referred to above, is committed to present a legislative proposal on the transparency of social and environmental information provided by the company in all sectors. **The ESEC recalls the commitment already made by the Commission to establish information which** could gather ORSE data, as proposed: legislative frameworks, reporting tools, practices existing in different countries. CSR judgments against MNEs have transgressed the social conventions on environmental and human rights.

Finally, as a factor likely to contribute to the transparency of the information, **ESEC would welcome the creation, at the European level, by a public agency, of an independent certification** for extra-financial rating agencies. The European Economic and Social Committee, in its opinion of 8 June 2005 on *“measuring instruments and information on CSR in a globalised economy”*, carried by Evelyne Pichenot, suggested that the Dublin Foundation is entrusted with a job analysis of corporate statements in relation to assessments of stakeholders.

Introduce greater transparency in lobbying

In 2008, the Commission established a *“Transparency Register”* on individuals or interest or pressure groups whose activities aimed at influencing the decision-making process within the EU. The OECD Council has also issued a recommendation in 2010 - *“Principles for Transparency and Integrity in Lobbying”*. The NGOs such as Transparency International propose to move towards greater transparency and democracy through better alignment of activities conducted by the various stakeholders. With this in mind, **ESEC is suggesting the inclusion, in reports on CSR and sustainable development prepared by companies, of details about their lobbying practices.**

Advancing international law in the area of parent company/subsidiary relationships

CSR relates to all companies, but multinationals, by their global dimension, are even more at the heart of CSR issues. The fact remains that, legally, they do not exist. Each one of the entities which make up the group, has the moral and legal status in the country where it is registered. Thus, if a group company does not respect human rights, fundamental social rights and international environmental law, for example by causing major pollution in France or abroad (Shell in the Niger Delta), other companies in the group - no more than the parent or the ordering company in the case of a subcontracting relationship - cannot be held responsible.

However, it appears that some judges are moving to a consideration of how groups organise their production. Indeed, in two recent judgments in France, one against Total, the other against Areva, the judges agreed that the parent companies exercised actual control over their subsidiaries and therefore, their liability could be recognised for abuse of their subsidiaries. This trend remains to this day, still very random and does not provide, for the victims, any guarantee as to the outcome of their appeal. **By advocating an in-depth reflection for a greater understanding**, particularly in the event of misleading appearance or improper interference, and in the light of recent developments in jurisprudence, **of parent company / subsidiary responsibilities**.

This reflection is justified especially as the changes in the international environment have occurred on this subject, not only with the revision of the OECD Guidelines, which now provide for due diligence for groups but also with guiding Principles of the United Nations on human rights and business. Similarly, some private standards such as ISO 26000 extend the responsibility of the company to its sphere of influence: in fact, the company is accountable for its actions in all *“political relations, contractual or economic, through which it can influence the decisions or activities of other companies, entities or individuals”*.

Ensure respect of social and environmental standards at the international level

The tragedy of “Rana Plaza” in Bangladesh, with more than 1,000 deaths in a factory subcontracting for large global textile groups, sheds light without compromising the need to move towards a more efficient globally governed social progress. **Also, it is imperative, as the ESEC has constantly emphasised, to upgrade the weight and the roles of the ILO and WHO, and lead to the creation of a WEO (World Environment Organisation)**. Our assembly reiterates its proposals in its previous opinion in favour of systematic consultations between organisations and mechanisms of questioning that would require the WTO, the IMF and the World Bank to seek the opinion of the competent international organisation in case of dispute.

The ESEC stresses the importance of the fight against any dumping, distorting rules and keeping in poverty, millions of workers and their families. It believes that the issue of liability of principals in the chain of subcontracting and sourcing is a key element in the fight against social dumping. By fighting against all dumping practices through a definition of the selection criteria for suppliers and subcontractors, based on the notion of best practices in social and environmental issues and the inclusion of environmental and social clauses in bilateral trade agreements and regional partnerships; Beyond that and to **move forward the concept of CSR** as a tool of control, **international trade cannot be based solely on the primacy of the free movement of goods and services**.

Given the deadlock in the WTO Doha Round of trade negotiations, and then multiplying that with bilateral trade agreements and regional partnerships, **it pleads for the inclusion among its provisions for environmental and social clauses**. In this regard, it should be noted that the EU has a voluntary position as a number of trade agreements it concludes, specifically include provisions to this effect. It is also important on the world stage, as it carries a strong message to the G8, G20 and other international bodies to **move towards a broader goal of sustainable development by placing employment and the fight against inequality and environmental protection at the top of the agenda**.

In the same concern for consistency, **The ESEC can only reiterate its position with equal determination**, as expressed in the opinion *"In the heart of G20: a new dynamic to the social and environmental progress"* and *"Rio 2: a major event for the future of the planet"* **for a more proactive implementation by States and international organisations of the decent Work Agenda and the Global Jobs Pact.**

By recalling the commitment of our assembly to the adoption, in 2015, of a comprehensive international agreement on the climate and compliance with the commitments coming out of the Convention on Biological Diversity.

Conclusion

A fairer globalisation which puts people and the preservation of global public goods at the heart of the issue, requires methods of development, based on a fair balance between economic, social and environmental dimensions.

The demand for wealth creation and its better distribution, combined with improved working conditions and rational exploitation of natural resources, are nevertheless the major challenges for everyone in reducing poverty and fighting inequality.

Nations, led by their Heads of State or their Government and international institutions, have and will have a highly significant part to play. There will, however, be no significant change without mobilising all sections of civil society: NGOs, trade unions and employers, companies themselves, regardless of their size or industry. Because CSR is located at the confluence of different challenges our planet is facing, it can be a carrier of progress towards new forms of governance and regulation to serving up a greater well-being of humanity. Conventions and instruments adopted by international institutions around CSR enrol themselves historically: they draw the outlines of a more effective international law in the fight for the respect of Human Rights and against lesser social and environmental rights.

This is the contribution that our church wanted to provide with this view by drawing a number of lines of inquiry to pursue.

Declaration by the Groups

Agriculture Group

For the agriculture group, it is important beyond the proposition by the European Commission definition that CSR allows to unite and enhance a business approach, all the good practices being already implemented on farms. It is also essential that it remains in a voluntary and progressive framework.

We believe that these steps will be positive, provided they are built by way of partnership and that they can be rewarding for everyone involved, both in terms of image and value.

The agricultural profession is committed, since last year, alongside co-operatives and industrial agribusiness, to CSR. We based it on one of the instruments which the opinion devotes several developments to: the ISO 26000 standard. We have, in fact, prepared together, under the authority of AFNOR, a guide to using this standard for the food industry. This guide is a tool of reference for our entire industry. It makes recommendations to businesses, through a process of progress, to move towards an exemplary level of social responsibility.

The profession wanted, through this initiative, to anticipate unavoidable changes in consumer demand and thus unite all good practice at local level. The challenge today is to promote ownership of the process by farmers.

The group wished, moreover, to insist on the latest recommendations of the opinion: "to ensure compliance, on an international level, with social and environmental standards". The agricultural profession is disappointed that bilateral agreements have multiplied, for lack of a multilateral agreement. We agree with the position of the rapporteur who hopes that international trade negotiations take into account non-trade concerns. It is a struggle waged agricultural profession since the beginning of international negotiations.

The agriculture group voted in favour of the opinion.

Craft Industry Group

The Prime Minister recently announced its intention to "*build an ambitious CSR strategy in France and abroad*". This notice is part of the news.

The Group considers that if the craft CSR can be a way to contribute to sustainable growth, its promotion and development need to take into account a number of conditions.

First of all, the CSR policy must be built with the actors and in accordance with rules of balance and representativeness that will apply in the newly established CSR platform.

Then, CSR should be adapted depending on the size of companies and industries.

To reflect this diversity, provisions must be avoided that penalise SMEs as an additional administrative or financial burden, which by standardising requirements, for example, give access to procurement or finance.

Finally, CSR is part of a goal of economic, social and environmental performance, the Craft Industry Group believes that it implies favouring the promotion, circulation and promotion of good practices, over the excessive regulations that would compromise the competitiveness of French companies.

The Craft Industry Group welcomes the opinion that did not ignore SMEs and VSEs among its proposals.

Often, CSR objectives are integrated into their strategy, even if they are not formalised. This intuitive and informal approach deserves to be recognised in their results.

However, these companies can be encouraged to engage in CSR, since it is voluntary in its initiative and flexible in its terms. Such commitments are indeed an asset, whether to consolidate a project to export or to adapt to new customer expectations.

To do this, support strategies, based on the exchange of good practices and the development of appropriate tools or guides are needed.

SMEs and VSEs must also be accompanied to formalise their approach. As such, consular networks and professional organisations have a vital part to play in conducting awareness on good practices in sustainable development, by building training programmes or plans adapted to industry and to their environment. It is important to encourage these structures in their mobilisation for development of CSR in these companies.

Moreover, and beyond this notice, crafts emphasises that it will remain attentive to the work in the context of the CSR platform. It hopes that future CSR strategy is realistic and pragmatic, and most importantly, it translates the broadest consensus possible between its various stakeholders. It also expresses the wish that with our national policy comes, at least to Europe, the construction of a harmonised base of social and environmental standards, to counter *dumping* practices as unfavourable to the recovery of our economy.

Sharing the overall guidance of the opinion, the craft industry group voted in favour.

Associations Group

By questioning the role of business in society, CSR is not only directed to an actor amongst others, but part of a transformation of our socio-economic model. Indeed, the corporate social responsibility redefines not only the very purpose of economic activities, but also their long-term consequences for the planet and for future generations. Its gradual institutionalisation in the managerial landscape now reflects a general awareness of all stakeholders and a shared desire to address the concerns that result from it.

The opinion - for which we salute the effort of compromise reached by all parties - fits relevantly in the context of national and international provisions that are changing practices and regulating them, of which the latest constitutes the launch announced by the current government of a CSR platform.

The Associations Group supports the bias in the opinion of promoting an incentive approach to CSR, in the spirit of the design method as in the content of various existing CSR instruments. Whether the Guidelines of the OECD or the UN, ISO 26000 or IFAs, they all result from multi-party negotiations and thus broad consensuses. All are also aimed at enhancing the attractiveness of CSR for companies inviting (not forcing) to adopt virtuous practices. In the same way, we share the philosophy of work on the subject by the European Commission, which tends to enhance the positive impact of business, improve self-regulatory processes and the visibility of CSR by spreading good practices.

To ensure an effective progress approach, it is essential that CSR is following a balanced policy between incentives and regulation. Our group favours recommendations

of the opinion ensuring not to enforce the law, but to encourage the adoption of responsible practices.

Sustainability of societal dialogue and generalisation of ICAs share this method with a shared design and implementation of the standard. Similarly, support for SMEs and VSEs in defining their CSR policy through the exchange of good practices and the development of guidelines, goes in the right direction. Finally, as pointed out in the opinion, it is important to make CSR information more accessible to for a better understanding of the issues.

The state of pragmatic and constructive opinion spirit led the group of associations to vote in favour.

CFDT Trade Union Group

For the CFDT, social responsibility, societal, and environmental companies are already part of a long history.

Since its 2002 convention, the CFDT is firmly committed to this path, considering that CSR is nothing but the variation of the principles of sustainable development within companies.

CFDT positioned its action on five interrelated themes to give a real meaning to CSR:

- social and environmental *reporting*;
- broader social dialogue;
- extra-financial rating and development of socially responsible investment;
- corporate governance taking into account all the parties involved;
- responsibility extended to subsidiaries and subcontractor companies.

The globalisation of the economy has contributed to the development of international groups, major contractors in which are grafted networks subcontractors and suppliers throughout the value chain.

In a competitive environment, economic decisions too often settle for the lowest social and environmental bidder, sometimes with tragic consequences, such as the fire at the textile factory in Bangladesh.

For the CFDT, CSR is a way to control and reduce *dumping*, especially when IFAs are negotiated by the social partners and apply to all subsidiaries of the same group and its sub-contractors, regardless of the country. However, these international agreements should be better monitored for their practical application in schools.

As proposed in the notice, it is essential to strengthen the *reporting* built for all businesses, irrespective of their legal structure. CFDT actively supports the proposal for a European directive to extend the publication of non-financial information to all companies operating in the territory of the Union.

From this point of view, the ISO 26000 is an international, common framework for all public and private organisations. It covers the entire field of CSR. However, it should be adapted by negotiation between social partners in order to develop relevant indicators for each branch.

For the CFDT, CSR is both an inner motivation and an image for the company. The rating may not be limited to accounting standards. The social and environmental rating highlights to the company something other than just financial results by ensuring consideration of the interests of other stakeholders.

CFDT however regrets the lack of the opinion's ambition to encourage socially responsible investment, promoting tax reduction for these investments, for example.

Finally, for CFDT, the territorial dimension of CSR is not sufficiently represented in the opinion. We believe that the company, including SMEs, rooted in its territory, becomes responsible by accepting the consideration of the interests of local actors.

The CFDT voted in favour of this opinion.

CFE-CGC Trade Union Group

The concept of social responsibility of the company developed in the 90s, in a context of increasing globalisation and deregulation of economic activities. The globalisation of business, mainly characterised by the development of international outsourcing, inevitably raises the social question, in a national but global framework, and creates competition for employees who find it increasingly difficult to enforce and impose social and environmental rights.

The CFE-CGC CSR is defined as *"An assumed responsibility vis-à-vis their impacts on society, and whose objectives would aim to seek development:*

- economically efficient, that is to say, that does not undermine economic progress while opting for sustainable growth to control the effects on its territory even more widely;
- socially equitable and responsible for a redistribution of wealth and created jobs with optimal working conditions for individuals;
- sustainably preserving, enhancing and improving the state of the environment".

CSR could be leveraged to adapt the forms of social dialogue to a global network economy and integrate directly into the social dialogue, taking into account "new" interests, such as environmental protection, developing Southern countries, the fight against climate change, interests met between different stakeholders of the company.

CSR and sustainable development (SD) must be integrated into the field of social dialogue.

The CFE-CGC has requested the opening of a particular negotiation dedicated to broadening the scope of social dialogue for sustainable development and CSR.

Moreover, this particular negotiation would also be an example of a proactive approach that France could plead with the European Union that puts the SD and CSR at the heart of its actions.

The CFE-CGC, deployment and effectiveness of CSR initiatives involve a responsible corporate governance through:

- the extension of Article 116 of the NRE law to all companies with IRP and not only to companies with 500 or more employees.
- the presence of employee directors on the boards of directors and supervisory boards of companies.
- the development of integrated *reporting*;

The CFE-CGC supports the position of France, namely: "France considers that this practice of the necessity of a CSR report should be adopted across the EU to effectively achieve an equivalent level between Member States. This would also be relevant in the case of companies operating in several Member States and would thus produce similar reports".

The CFE-CGC therefore supports the proposals in this opinion and especially approves the proposal to strengthen the international framework agreements.

CSR, being a commendable set of sustainable developments, makes real sense, this is why we believe that companies who want to be with green labels should not be using tax havens. CSR for the CFE-CGC, also means that companies regulate taxation in the country of production or consumption. This will reduce social *dumping*.

For the CFE-CGC, CSR should mean “Giving Meaning Together”, a term in which our organisation has registered the brand, according to the following three versions:

- personal: “Give Back the Meaning to Existence”
- professional: “Give Back the Meaning to the Enterprise”
- societal: “Give Back the Meaning to the State”

It has voted in favour of this opinion, whose recommendations reinforce the plans with which CSR becomes effective.

CFTC TRADE UNION GROUP

Social or societal responsibility of the company is related to the definition of the business. Whatever its size, its purpose is to create wealth. Its responsibility lies primarily in the way it produces, either in the eyes of men who work there, in the usage and distribution of the wealth created or the impact of its activities on the environment. Millions of employees each day, pay for their health, their misery, even their lives, their share to this terrible scourge of social irresponsibility.

The CSR does not end the way it can, whether good or bad, treat its employees or the environment. The tragedy of Bangladesh and the death of thousands of employees (slaves we could say to be more realistic) highlights the involvement of the customer or client. Some, whose names were revealed, exhibited in France, societal ambitions. This highlights the potential for even stronger and more perverse drifts, such as *greenwashing* or socialwashing drifts.

The liberal nature of globalisation in the context of the freedom of countries, greatly reduces the flexibility, hence the importance of having tools at all levels.

This review therefore sets the terms of the problem: there are certainly some rules, such as the ILO or agreements as the ICESCR. But they are not mandatory (for those who have not ratified), plus organisations and the ILO do not have sufficient means to monitor and enforce. In this regard, this opinion is important: to summarise what already exists (which is done well), and see what can be proposed in this approach that can only be pragmatic.

Our group particularly supports the recommendations to strengthen which may allow a better understanding of business practices, a true role for the social partners with regard to the government or rebalancing resources in procedures.

Finally, the CFTC reiterates its proposal, on another level, on social and environmental traceability, so that companies which take social commitments and respect them can benefit from a seal of approval. This proposal assumes, as the international standards mentioned in the opinion, to answer the following questions: what standards and what controls are there as regards commitments?

The CFTC voted in favour of the opinion.

CGT

The notice highlights the issue of CSR if you want to replace the social and environmental dimensions at the heart of our economic development.

Firstly, mainly relying on proactive approaches of large companies, CSR is then structured at all levels, internationally, European and nationally. The opinion explains this evolution and illuminates the essential role it plays now.

CGT shares this analysis and the recommendations that result.

It is estimated that the societal dialogue with stakeholders is, indeed, essential to reduce the negative impacts of the activity of a business on the environment. Thus, the CGT liability considers the parent / subsidiaries as a major issue of CSR to fight against the effects induced by social and environmental *dumping*, and the ESEC's proposal is a first step in this direction. Finally, if for the moment, CSR is essentially built on *soft law*, although the National Contact Points - which must undoubtedly strengthen the independence - participate in jurisprudential construction, it remains that it is essential to articulate with a power constraint, except to say that the company can settle for a shot of green paint on the economy, that the English call *greenwashing*.

CSR cannot be, in fact, an optional process and cannot strive for efficiency without transparency or control.

It is in this spirit that the CGT would have hoped that the proposals in the opinion of the non-financial *reporting* go further, particularly with regard to the revision of the decree under Article 225 of the Grenelle 2 law.

Finally, to conclude, the CGT is convinced that, as pointed out in the opinion, to win the issues of economic, social and environmental transition, it requires out of a silo design (environmental, social and economic) to head towards a model of inclusive development.

The CGT voted in favour of this opinion.

CGT-FO TRADE UNION GROUP

The FO group was sceptical about the ability of an ESEC opinion to help remove the ambiguities inherent in the concept of CSR.

Based on the shortcomings of national legislation and the implementation of international labour standards in the context of the globalisation of enterprises and supply chains, CSR suggests that morality, goodwill and business viewed as a community of interest, can overcome these weaknesses. Some go so far as to justify the lesser importance attached to the legislation as public administrations and inspectorates, as well as the questioning of collective bargaining in industries and companies.

Other concerns were legitimate, on the environment and more broadly on human rights, areas in which standard setting is not always identified or is embryonic, and have helped to expand the concept of the social to the societal. This sometimes raises other ambiguities as to the hierarchy of social, environmental, economic laws: the European Union opposes, for example, the rights of the movement of goods and services to social rights!

Some recommendations in the opinion receive the support of the FO Group. This is the case of recommendations enhancing devices such as tariff preferences of the EU (GSP),

the partial start of a social clause in trade, the system of the OECD Guidelines that address the multinational, or the evolution of international law in the field of relationships between parent companies and subsidiaries, an issue which, in the broader context of the production lines, occupied the work of the last international Labour Conference of the ILO.

However, with other aspects, our disagreement remains. For example, the call for an independent certification - who and how? - The financial rating agencies led to endorse the privatisation of standards, when, with FO, emphasis should be placed on the role and capacity of labour inspectorates.

Corporate responsibility is primarily to comply with laws, regulations and collective agreements in the countries in which they operate. It is also important to focus on how they comply with international labour standards. Human rights in general, social rights and respect for the environment are not simple options; it does not belong to companies to arbitrarily determine their responsibility.

Thus, the FO Group, by voting against, wishes to express its distrust of using the concept of CSR which risks weakening workers' rights arising from international standards, laws and collective bargaining. Recent tragic situations relating to the irresponsible behaviour of some large companies can only strengthen us in our opposition to the concept of CSR, overriding the democratic necessity to drive and determine efforts for the implementation of social and environmental standards, reaffirmed by our recent opinion.

Cooperation

This opinion on CSR in the continuity of the recent opinion issued by our assembly performance and corporate governance. The corporate social responsibility can indeed consider the company to be in constant interaction with its environment and stakeholders in the value chain (customers, suppliers, subcontractors...) on one hand, but also with all those impacted locally by its activity.

The business contribution to sustainable development, this progress approach gradually takes place (concept of continuous improvement) and over time (we do not reach excellence overnight). For the Cooperation Group, CSR approaches are levers for societal, social and environmental performance.

The Cooperation Group supports the desire to regulate the practices of multinationals, so that CSR is not reduced to a fashion trend or actions of communication. It also shares the ambition that CSR contributes to a more controlled globalisation.

The proximity between CSR and cooperatives is obvious, which was well emphasised through the hearings and reviews: democratic governance, territorial base, taking into account the "long term" and "transmission to future generations future" through non-divisibility reserves, which, in fact, closely mirrors the definition of sustainable development. More cooperatives, whether the SCOP or agricultural cooperatives, are based on the ISO 26000 approach to engage in collective action and re-examine the cooperative values. Initiatives by many cooperatives that have been published in recent years, in their sustainability reports, confirm the importance of the size of extra-financial *reporting*.

Of course, if this approach does not go hand in hand with economic performance, it is doomed to failure. The challenge therefore is how to combine CSR and competitiveness. For the Cooperation Group, many factors related to CSR can gain a competitive edge: motivation

of employees around a common project, differentiation from the competition (including foreign), source of innovation and attractiveness for the company, customer image, energy savings, etc.

It should also be taken into account the diversity of businesses, supporting SMEs in these approaches that are voluntary, in particular through the exchange of best practices, development of guides and the introduction of specific measures for the smallest ones.

The Cooperation Group voted in favour of this opinion.

Enterprise Group

The group of companies wishes first and foremost to thank the rapporteur for listening. He has shown to us, even if it does not share the blueprint which was presented at the beginning of the session, as it should have said also the development of emerging countries today was out of the misery of millions of people. We discussed a lot, but we all managed to highlight the need to create a real momentum around CSR and make recommendations to ensure promotion among different actors.

Today, we find that firms are increasingly involved in more voluntary approaches to CSR, and it is this spirit that must be supported. This is, moreover, not only because of multinational companies, but also as far as SMEs being more likely to deliberately take into account the dimension of CSR as a strategic element of their development.

The opinion rightly insists on the very important role of professional organisations and consular networks in supporting businesses in these processes.

CSR is, in fact, not always easy to implement for companies because, as rightly stated in the opinion - and as Mr. Delmas recalled, "socially responsible corporate behaviour may be, real beneficial investment, but they also risk undermining their competitiveness in all countries, including developing countries, do not apply the same rules."

This is where there is the risk for companies to implement a CSR policy. That is why it is essential that CSR is growing under the leadership of the companies themselves and not under duress.

The opinion has considered these dimensions, even if we felt that certain dimensions would veer towards more regulation. We, for our part, are in favour of finding a balance between incentives and regulations, based on the exchange and the search for consensus.

All the actors in CSR must be acutely aware that the stability of the regulation is an essential part of business development, and if the *reporting* is of course desirable, it is vital that relevant elements are selected and not stacked.

We live in a globalised world and, as the opinion is necessary, we must ask the European Commission to act as CSR criteria as defined by the Global Compact, the OECD Guidelines, ILO, or ISO 26000 are better taken into account by international financial institutions such as the World Bank. It should also promote the principle of reciprocity in trade between Europe and the rest of the world.

However, we regret that the opinion does not put in better perspective the involvement of French companies in relation to their competitors. We would have been able to see that they are among the most virtuous. France is at the forefront of *reporting* obligations, CSR with the most ambitious legislation in the world in terms of requirement of publication and

verification of non-financial information. Similarly, we wish to emphasise the exemplary French NCP in which the social partners sit on the administrative side, and independently.

Similarly, we are opposed to the introduction, at European level, of a public agency control, but prefer as the European ESEC recommends, that an existing instance, for example, the Dublin Foundation does not undertake this mission.

These remarks, we wish to reaffirm the willingness of companies to be involved in the development of CSR, and are convinced that this involvement will be more successful than governments, trade unions, NGOs, investors... to combine their efforts towards the same commitment to a constructive dialogue.

This is why the group of businesses voted in favour of this opinion.

Environment and nature Group

The opinion on corporate social responsibility implies rightly: CSR is a contribution to engage the social and environmental transition. The concept has been the subject of much debate in our section about the following question: should we use the term “social” or “societal”? Our group is found entirely on the term “societal”. If the English terminology makes no distinction, the word choice of “societal” puts much greater emphasis on the responsibility towards society and therefore the necessary dialogue with stakeholders.

The opinion repeatedly sketches ways to improve and strengthen dialogue with stakeholders. The ISO 26000 guidelines are a practical framework for companies that wish to engage and fully recognise the stakeholders’ place in the construction of CSR initiatives. Among others, it revises the conditions of the implementation of reporting. As for the opinion, our group regrets that the law on banking and financial regulation in 2010 has removed without debate the capacity given by the Grenelle law stakeholders to present their views on CSR processes related to businesses.

We share many of the recommendations of this opinion, whether:

- promoting the next tariff preferences that the EU provides, tariff reductions strengthened for countries to sign, ratify and effectively implement a series of international conventions relating to the rights of workers, human rights and the protection of the environment;
- strengthening the *reporting* in France including a challenge to the decree under Article 225 of the Grenelle 2 law and proposals to go to the publication of a new decree as announced at the environmental conference;
- integrating of lobbying transparency approaches to CSR;
- or again, highlighting the respect of international social and environmental standards and the reminder of our commitment to the creation of a world environment organisation on par with the WTO.

We would have wished that this text goes into more depth concerning, particularly, the development of international law in the field of parent/subsidiary relations, as well as with their subcontractors. The opinion provides only a simple reflection where we need a legal revolution. Multinational companies, with their different entities around the world have absolutely no legal personality. Suffice to say that it is almost total impunity for violations of human rights, working conditions and of course with nature and the environment.

In thanking the rapporteur for their listening and patience, the Environment and Nature Group voted with a majority in favour of this opinion.

Mutual Societies Group

The opinion replaces immediately a CSR as *“an instrument for sustainable development and a renewed conception of world society and human relationships”*.

The group of mutuality share this interpretation of CSR, and as we have seen in our discussions section, it is not so readily apparent that different definitions are given.

The Prime Minister himself, in his speech at the launch of the CSR platform, last week questioned the meaning of the acronym CSR “Corporate social responsibility, social and environmental responsibility, or corporate societal responsibility: whatever the chosen words, CSR takes into account the three pillars of sustainable development: economic, social and environmental, as well as governance”.

The variety of instruments at international, European and national level, is widely described in the opinion. Encouragement, incentives, or regulations, the articulation of these instruments is not always legible.

The tragedy of “Rana Plaza” in Bangladesh has strongly influenced us, it should encourage us to advance a compliance with the highest social and environmental standards in international trade. That is why France should pursue its commitments, not only at national level but also within the European framework through dynamic international construction standards.

For the Mutual Societies Group, “CSR needs a balanced policy and regulatory incentives and declined according to the size of companies and sectors”, as the opinion rightly emphasises. In fact, too much standardisation meeting a single repository would not respond to the diversity of our businesses.

Companies of the social and united economy, particularly mutual, might argue that CSR is in their genes because it corresponds to the founders of their activities that predispose to place responsibility at the heart of their decision-making principles, their mode of democratic governance and more broadly, their united model.

But CSR also invites mutual groups to revisit their values and practices.

Also, MGEN for health and MACIF for mutual insurance, have set up for the first time a framework of indicators that calls upon all of its stakeholders: members, elected officials, employees, social and economic actors through a process of transparency and progress, and secondly, a set of commitments meeting specific performance goals in accordance with extra-financial criteria.

Indeed, the publication of a report marks a commitment, not only in respecting a number of principles, but also to improve the situation in a very real way, with regard to expectations expressed by stakeholders, whether in the environmental or social field.

The Mutual Societies Group cannot approve the recommendations of the review in the hope that they do not remain wishful thinking, because the transition of our economic, social and environmental model requires rapid changes in our practices.

Student Bodies and Youth Movements Group

The Student Bodies and Youth Movements Group welcomes this opinion which is replacing the CSR at the heart of the subject of transition and traces out historical and legal developments.

We welcome, in particular, the recommendation relating to the evolution of international law in the field of parent / subsidiary relations. Indeed, we agree with the opinion if it considers that multinational companies, due to their global nature, are a central topic of CSR. However, it is well known that the legal nature of multinational corporations is now an obstacle to the implementation of social and environmental standards and social responsibility initiatives are only a partial response to this shortcoming.

However, without being able to be substituted for binding measures that apply to all businesses, voluntary business initiatives can be positive and effective provided they are accompanied by measures of monitoring and strict evaluation, but also accompanied by real remedies. Unfortunately, the example of the recent re-issue agreements between Areva and Sherpa, following the notorious lack of compensation for Nigerian and Gabonese workers and stopping actions of the decontamination of old farms, shows that the fragility of such initiatives remains solely dependent on the political and strategic control of the management of the company.

The tax liability could be more explicitly included in the spectrum of CSR, as it seems to be at the heart of corporate responsibility vis-à-vis the states where they are located and populations, then our group regrets it. Companies must pay taxes where they create wealth and not move their profits where the tax is the most convenient. The shortfall for developing countries is almost equivalent to eight times the amount of foreign aid they receive. An evolving standards of accounting *reporting* introducing an obligation for *reporting* country by country is therefore necessary.

The opinion shows the difficulty of finding a balance between a proactive approach and a regulatory approach to CSR. Our group tends to favour a more stringent standard. However, we vote in favour of the opinion reiterating our requirement that, in addition, we continue to work towards a supranational legislation necessary.

Overseas Group

If social (or societal) responsibility (CSR) has long devolved only to Nation States, the reality applies today to everybody: economic, social and environmental transition, that everyone looks forward to, can be organised only through the combined action of all stakeholders and among these, companies.

CSR is defined as “the business contribution to sustainable development issues”. It is for the latter to take into account in their development strategy, the impacts that their activity can have on a social and environmental level, thus combining economic logic, social responsibility and environmental protection.

This also characterises CSR to being that it is about a voluntary approach, although encouraged or recommended by a number of plans and instruments, whether at national, European or even international level. This optional character may seem inadequate to some,

given the huge issues that are listed here, but we must recognise that CSR has gradually established itself in many companies without it being useful to legislate in a binding way on this question. In addition, we must also admit that the recognition by a company of its own social and environmental responsibility can induce a significant financial cost that would be dangerous to impose throughout, unilaterally and immediately.

That is why the Overseas Group, while recognising the relevance of the analysis and recommendations presented in the opinion, remains attentive to what the ESEC does not say in an over-judged way, in favour of a binding legislation that would compromise the future once again of a certain number of businesses that remain very fragile, especially in our overseas territories.

If CSR is slow to set up here and there, it is not necessarily and solely the fault of the head of the company, who needs to avoid stigmatising, because it is often and foremost, as Winston Churchill said, “the horse that pulls the chariot” rather than “the wolf that must be slaughtered at any price.”

Despite these concerns, the group voted in favour of the opinion.

Qualified Individuals Group

MR. Guirkingier: “The business model on which we based our prosperity is not sustainable nor social or environmental. Our Board has made this observation several times.

It is imperative now to find ways to change this business model and make the transition that we are calling for.

We need to mobilise the decision-makers. And those who decide are primarily politicians.

From this point of view, we must welcome the decision of President Obama, who has finally launched an action plan for the fight against global warming.

And those who decide are, on the other hand, business leaders.

This finding on the role of business leaders and corporations underlines the absolute necessity to promote CSR, social responsibility of entrepreneurs and businesses, regardless of size, from multinationals to SMEs. And you have to put CSR at the heart of business strategy.

Indeed, CSR is a management tool. CSR makes sense and helps mobilise employees on ambitious and medium-term targets. Delmas is right to emphasise that CSR must be part of the social dialogue in the company. But CSR is also a great tool for dialogue with stakeholders outside the company.

This dialogue outside the company completes the social dialogue within the company. It does not replace the social dialogue. It allows the company to better understand the changing expectations of civil society and customers. CSR improves the overall performance of the company.

But CSR is also a lever to improve the competitiveness of the company. The most dynamic companies in this regard are those who are able to anticipate and develop new products and new services.

In the field of CSR, many companies and many French companies are mobilised and are models of this. The urgency to act is shared. We, here, discussed the mobilisation of our business for the G20 in Cannes, for the Copenhagen summit and the Rio+20 conference.

The dynamic is engaged. It must be encouraged and amplified. And from this point of view, we must consistently find the right balance between voluntary commitment and the development of law and taxation.

This balance to find is subtle. And, from this point of view, I consider that the opinion lays too much emphasis on the constraints, the rule of law, and does not give enough space to the dynamics of progress, the ripple effect that should be created.

I salute from this perspective the initiative of the UN and Kofi Annan who created the Global Compact. The Global Compact brings together multinationals ready to engage in all areas of CSR, including Human Rights.

The French section of the Global Compact is very dynamic, many companies adhere to it.

The balance between finding voluntary and forced is subtle, as it is also because companies cannot, and will not accept the new charges which would undermine their competitiveness and their ability to develop their export and international activities. Businesses fear being subjected to new bureaucratic constraints.

We must integrate this concern into CSR discussions. And the opinion reminds us at the right moment that the EU Council said, and I quote, *"we must ensure that the promotion of CSR does not result in unnecessary administrative burdens."*

To conclude, two remarks:

This necessary mobilisation of companies around CSR must not exonerate the States from their own responsibilities.

I am often surprised that citizens and civil society end up being more demanding vis-à-vis companies than policy makers. And at this point, we can also highlight the fresh and comfortable schizophrenia of many consumers who are unable to reconcile their material requirements and societal expectations.

I would also like to acknowledge the involvement of many trade unionists on CSR, and I want to pay tribute to our rapporteur who agreed to accept the dialogue and to change his own points of view.

I will vote for this opinion."

Liberal professions

For the Liberal professions Group, CSR is an important objective to achieve in the short term. It should not however be promoted at the expense of competitiveness, nor penalise French companies as regards international competition by creating new obligations, duties or procedures that they would only be subject to.

It seems, however, that the current expectations of the French people towards their businesses have changed. A recent study by CEVIPOF shows, in fact, that CSR is no longer the main priority and that now, growth, employment and competitiveness are at the heart of the challenges we face together.

In times of crisis, it is of course essential to act to initiate a major economic, social and environmental transition, being equally important to implement measures to boost growth and stop the destruction of jobs.

The Liberal Professions Group likes to point out that successful and competitive multinational companies contribute a large part, and it is too often minimised, in favour of economic and social progress, especially in these troubled times.

Of course, the legitimacy and importance of CSR are well demonstrated. It is true that much progress has been made since 1990, and we look forward to the place now given, in France, to this form of responsibility. But France is not isolated. France signed up for the game of global competition. France is competing with major international groups.

For these reasons, we must work together with our partners to ensure that all parties play by the same rules. We must use our influence to impose our ways of thinking and production and to do this, our large multinational companies are the natural ambassadors.

It is under these conditions that we will fundamentally change, and in a sustainable manner, the legal standards and impose frank negotiation that will finally lead to strong commitments. For us, it is not desirable to create in the short term, new requirements that are too restrictive, which could have serious consequences.

A set of standards which are too “hard” may adversely affect the growth and competitiveness in France, distorting competition between countries. Our businesses should not be enclosed in a too restrictive legal framework compared to their competitors. The social partners and civil society all have their place in this debate. But we must be vigilant and measured.

The Liberal Professions Group shares the majority of the recommendations of the opinion and believes that education, information and communication are the ingredients of a change in attitudes on this subject.

Moreover, if a concerted action at European level is what we must strive for... it is for us of the utmost importance to make every effort to support our businesses and get them on the path of growth.

The Liberal Professions Group voted in favour of this opinion.

UNAF

The ESEC shall deliver its opinion a week after the installation by the Prime Minister of the CSR platform. This review will feed into the future work of this platform.

If the UNAF Group shares in their entirety the recommendations adopted by the opinion, he would like to highlight three of them.

The importance of the ratification by France of the ICESCR is a recommendation that makes sense for the UNAF Group. It is the point of balance to be sought between the economic, social and environmental. Indeed, the International Covenant on Economic, Social and Cultural Rights recognises each person, including from a family dimension. Thus, it is stated that “The States, which are part of the present Covenant, recognise the right of each person to enjoy fair and favourable working conditions and particularly ensure, a decent existence for them and their family.” The text adds: “The States, which are part of the present Covenant recognise that protection and the widest possible assistance should be agreed to the family, which is the natural and fundamental element of society, in particular as regards its establishment and for as long as it is possible, responsible for the maintenance and education of its dependent children”.

The second recommendation, which holds the interest group UNAF, is that which seeks to ensure a quality dialogue with stakeholders. The goal is to develop the social dialogue in companies so as to open up new fields relating to societal issues, human rights, balancing work / life family, ethics - and environmental issues.

The expanded social dialogue leaves room, beyond just the social partners, for the direct contacts of the company involved in its sphere of influence. Consumers, families are not only targets of communication and information but full participants.

Finally, the recommendation, which aims to make CSR information more accessible, is essential to advance and mobilise as many actors as possible towards sustainable development. The provision of information on CSR adapted to the profile of the members of the company will improve awareness of issues: CSR can be a real lever for progress.

The UNAF Group adopted this opinion.

UNSA

The opinion carries with high accuracy the analysis of the link between economic efficiency and social and environmental control devices that are available. On this occasion, a complete overview appropriately gives an account of a comprehensive inventory of existing resources. It is clear that if the tools are not missing, the political will to make full use remains inadequate.

Support for a multilateral transparent trading system, obeying rules and resisting protectionism, will, of course, be on the agenda of the WTO Ministerial Conference to be held in Bali in December 2013: however, also some of the implications relating to the liberalisation of services which remains a concern, the central question remains on the agenda of negotiations in view of improving social standards, safety and working conditions in supply chains especially in light of the wave of industrial disasters in Bangladesh, Cambodia and Pakistan.

The liberalisation of trade and investment promotion emphasises the importance of achieving unity of regulatory standards that will enable developed and developing countries to benefit from global value chains. This is why the UNSA believes that CSR becomes important, including through the effective implementation of the OECD Guidelines for Multinational Enterprises. If corporate commitment remains still widely voluntary, it is the responsibility of governments to apply these principles in their multidimensional sense.

UNSA therefore also shares the view of the opinion, according to which the “positive law”, which, of course, constrains but also protects, to be strengthened and extended in the general area of finance, the value chain, for example.

Overall UNSA is found both in the analysis and in the recommendations, and voted for the opinion.

Voting

Vote on the entire draft opinion

Number of votes	153
Votes in favour	143
Votes against	8
Abstaining	2

The ESEC adopted the opinion.

Votes in favour: 143

<i>Agriculture</i>	Mr. Bailhache, Bastian, Mrs Beliard, Bernard, Bocquet, Mr. Clergue, Mrs Dutoit, Mr. Giroud, Mrs. Henry, Mr. Lemétayer, Pelhate, Serres, Sinay, Vasseur.
<i>Craft Industry Group</i>	Mrs. Amoros, Mr. Bressy, Crouzet, Miss Foucher, Gaultier, Sassano.
<i>Associations Group</i>	Mr. Allier, Mrs. Arnoult-Brill, Mr. Charhon, Da Costa, Gratacos, Leclercq.
<i>CFDT TRADE UNION GROUP</i>	Mr. Blanc, Mrs. Boutrand, Briand, Mr. Duchemin, Mrs. Hénon, Mr. Honoré, Mrs. Houbairi, Mrs. Jamme, Le Clézio, Legrain, Malterre, Nau, Nicole, Prévost, Quarez.
<i>CFE-CGC TRADE UNION GROUP</i>	Mr. Artero, Mrs. Couturier, Couvert, Mrs. Dos Santos, Lamy, Weber.
<i>CFTC TRADE UNION GROUP</i>	Mr. Coquillion, Mrs. Courtoux, Mrs. Ibal, Louis, Parle, Simon..
<i>CGT</i>	Crosemarie, Cru-Montblanc, Delmas, Doneddu, Durand, Hacquemand, Kotlicki, Mansouri-Guilani, Marie, Michel, Prada, Rabhi, Teskouk..
<i>Cooperation Group</i>	Mrs. de L'Estoile, Roudil.
<i>Enterprise Group</i>	Castera, Dubrac, Duprez, Frisch, Lebrun, Lejeune, Marcon, Mariotti, Mongereau, Placet, Mrs. Prévot-Madère, Mrs. Ridoret, Roger-Vasselin, Roubaud, Roy, Vilain.
<i>Environment and nature Group</i>	Mrs. Beall, Bonduelle, Bougrain Dubourg, Mrs. de Bethencourt, Denier-Pasquier, Mrs. Genest, Genty, Guerin, Mrs. de Thiersant, Mesquida, Vincent-Sweet, Mr. Virlovet.
<i>Mutual Societies Group</i>	Mrs. Andreck, Davant.
<i>Student bodies and youth movements group</i>	Mrs. Guichet..

<i>Overseas</i>	Mrs. Budoc, Lédée, Omarjee, Osénat, Mrs. Romouli Zouhair.
<i>Qualified parties</i>	Mrs. Ballaloud, Mr. Baudin, Mrs. Brishoual, Brunet, Chabaud, Mr. Corne, Mrs. Dussaussois, Mr. Etienne, Mrs. Flessel-Colovic, Mrs. Gall, Geveaux, Mrs. Gibault, Grard, Graz, Mr. Guirkinger, Mrs. de Kerviler, Mrs. Kirsch, Le Bris, Levaux, Lucas, Martin, de Menthon, Obadia, Richard, du Roscoät, Soubie, Terzian.
<i>Liberal professions</i>	Mrs. Capdeville, Gordon-Krief, Noël, Mrs. Riquier-Sauvage
<i>UNAF</i>	Mrs. Basset, Mrs. Damien, Farriol, Feretti, Fondard, Joyeux, de Viguerie..
<i>UNSA</i>	Mrs. Dupuis.

Voted against: 8

<i>CGT-FO TRADE UNION GROUP</i>	Baltazar, Bellanca, Chorin, Fauvel, Millan, Nedzynski, Mrs. Nicoletta, Perrot.
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Abstaining: 2

<i>Environment and nature Group</i>	Mrs. Ducroux
<i>Qualified parties</i>	Mr. Khalfa.

Annex N° 1: Composition of the section for European and International Affairs

✓ **President:** Yves VEYRIER

✓ **Vice-presidents:** Bernard GUIRKINGER and Guy VASSEUR

□ **Agriculture Group**

✓ Jean-Michel LEMÉTAYER

✓ Karen SERRES

✓ Guy VASSEUR

□ **Craft Industry Group**

✓ Rolande SASSANO

□ **Associations Group**

✓ Francis CHARHON

□ **CFDT Trade Union Group**

✓ Évelyne PICHENOT

✓ Christophe QUAREZ

□ **CFE-CGC Trade Union Group**

✓ Carole COUVERT

□ **CFTC Trade Union Group**

✓ Michel COQUILLION

□ **CGT**

✓ Fabienne CRU-MONTBLANC

✓ Alain DELMAS

□ **CGT-FO Trade Union Group**

✓ Marie-Josée MILLAN

✓ Yves VEYRIER

□ **Cooperation Group**

✓ Marie L'ESTOILE (DE)

□ **Enterprise Group**

✓ Jean-François ROUBAUD

✓ Françoise VILAIN

□ Environment and nature Group

✓ Sébastien GENEST

✓ Céline MESQUIDA

□ Mutual Societies Group

✓ Gérard ANDRECK (*Administratively attached to the group*)

□ Student Bodies and Youth Movements Group

✓ Marie TRELLU-KANE

□ Overseas Group

✓ Rémy-Louis BUDOC

✓ Christian LÉDÉE

□ Liberal professions Group

✓ David GORDON-KRIEF

□ Qualified parties

✓ Janine CAYET

✓ Hugues GALL

✓ Bernard GUIRKINGER

✓ Olivier KIRSCH

✓ Régis HOCHART (*Administratively attached to the group*)

□ UNAF

✓ Christiane THERRY

□ Qualified parties

✓ Richard BALME

✓ Nathalie CHICHE

✓ Thierry CORNILLET

✓ Mathilde LEMOINE

✓ Catherine SOULLIE

✓ Alain TERRENOIRE

✓ Charles VALLEE

✓ Jean-Philippe WIRTH

Annex N° 2: Table of Acronyms

EFA	European Framework Agreement
IFA	International Framework Agreements
AFII	French Agency for International Investment
AFNOR	French Standardisation Agency
ILO	International Labour Office
BPI	Public Investment Bank
ESEC	Economic, Social and Environmental Council
CNRS	National Centre for Scientific Research
CESCR	Committee on Economic, Social and Cultural Rights of the United Nations
COMPTRASEC	Centre for Comparative Labour Law and Social Security
ECOSOC	Economic and Social Council of the United Nations
MNE	Multinational enterprise
FCRSE	Citizens Forum for Corporate Social Responsibility
ISO	International Standards Organisation
SRI	Socially Responsible Investment
NER	New Economic Regulations
OECD	Organisation for Economic Cooperation and Development
ILO	International Labour Organisation
UN	United Nations
ORSE	Observatory of Corporate Social Responsibility
NPC	National Point of Contact
IPDC	International Covenant on Civil and Political Rights
ICESCR	International Covenant on Economic, Social and Cultural Rights
CSR	Corporate Social Responsibility

Annex N° 3: Glossary

Regulations

Although seemingly similar and phonetically similar, these two concepts should be distinguished. The second (regulation) refers to a concept, legal and accurate, which can be defined as an act of general and impersonal application, as enacted by relevant executive authorities. Thus, the regulatory authority as specified by Article 37 of the Constitution of 1958 and again in law of the European Union, the regulations referred to in Article 288 of the TFEU (Treaty on the Functioning of the European Union), mandatory in their entirety, directly applicable in all Member States and invocable before the national courts. The first (regulation) serves to show methods of making rules of conduct, that develop around areas that positive law allows, at least temporarily, outside of its control. The term is often used in the field of economics and public policy. The confusion has sometimes given the fact that the word “regulation” is more or less synonymous with regulation, which can be explained in the system of “common law”. It remains, however, to clarify somewhat the concept of regulation. Simply put, we note that it is an action, adapted and measured out, other than that of the law, but keeping with it the relationship of cooperation and complementarity. It can be called to participate in the formulation of standards, which, particularly in France, may, for example, be developed in the context of independent administrative authorities “(CNIL, CSA...), or Commissions, as CRE (Commission for Energy Regulation). It is for all these reasons that the term “regulation” has been used in this opinion.

Source: Edited by Mr. Vallée, associate of the ESEC,
member of the section for European and International Affairs

Schemes of the preferential access to the EU market (GSP and GSP+)

The Generalised System of Preferences (GSP) is an autonomous trade regime under which the EU gives to certain foreign goods, a non-reciprocal preferential access to its market. It is with the Economic Partnership Agreements (EPAs) with regions of the group of African, Caribbean and Pacific (ACP) States, one of the two major components of EU economic policy as regards developing countries.

To tariff reductions granted by the GSP “standard” in 111 countries and territories for around 6,200 tariff lines, customs law suppressions are added on imports of certain products granted to the most vulnerable developing countries by the special arrangements in favour of sustainable development and good governance, known as “GSP+”. The countries concerned benefit from this special system, provided they have ratified and implemented 27 core conventions on human rights and workers’ rights, some conventions on the protection of the environment as well as conventions on the fight against the production and trafficking of illegal drugs.

Benefits under the GSP must enable partner countries to strengthen their position in international trade and generate additional export income through which they can implement policies for sustainable development and poverty reduction and economic diversification. No GSP service provides or requires reciprocal access.

The GSP reform, which will come into force on 1 January 2014, draws on the consequences of the emergence of some developing countries, who from now on compete globally, and plans to concentrate import preferences to the poorest developing countries.

Note: the GSP is to be distinguished from the “Everything But Arms” initiative that allows the 49 least developed countries (LDCs), including Bangladesh, for example, to export to the EU market all their goods duty-free and quota-free.

Source: www.europa.eu

Dublin Foundation (Eurofound)

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite body of the European Union established in 1975. Eurofound’s mission is to contribute to the design and establishment of better living and working conditions through action to develop and spread knowledge. The Foundation takes into account existing EU policies in these areas and illuminates the institutions on the objectives and possible directions, including by transmitting scientific and technical data to them.

The Foundation specifically addresses the following questions:

- working conditions, including the organisation of work, working hours, flexibility, monitoring of changes in working conditions;
- living conditions, that is to say all aspects influencing the daily life of European citizens, including the balance between work and family life, the provision of public and social services and the promotion of integration into the world of work;
- industrial relations of which industrial change and restructuring come from, worker participation in decision-making and the Europeanisation of industrial relations.

The Foundation promotes the exchange of information and experiences: it makes contact between universities, governments and economic and social life organisations easier, and encourages concerted action. It organises courses, conferences and seminars and participates in studies. In addition, it provides governments, employers, trade unions and the European Commission, data and opinions from independent and comparative research.

The Foundation shall cooperate as closely as possible with existing institutions, foundations and national and international specialised organisations. In particular, it shall ensure appropriate cooperation with the European Agency for Safety and Health at Work.

The Foundation has a legal character and its headquarters are in Ireland (Dublin). It has a board of directors, an office, a director and an assistant director.

Source : www.europa.eu

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Annex n° 5: List of interviewed persons

In order to learn more about the issues, the section heard the views of:

- ✓ **Mr. Michel Doucin**
Ambassador for Bioethics and Corporate Social Responsibility
- ✓ **Mr. Fouad Benseddik**
Director of the methods and institutional relations to VIGEO
- ✓ **Mr. Michel Capron**
Distinguished University Professor at the Institute for Research in Management, University Paris Est Creteil
- ✓ **Mr. Olivier de Carné**
Head of the working group AFNOR "ISO 26000 food and agriculture" project and responsible for the "Industries-Distribution-Consumer" Department of Coop de France
- ✓ **Mr. Robert Durdilly**
President of the CSR Committee of MEDEF, President of the French Union of Electricity
- ✓ **Mrs Marie-France Houde**
Head of Unit of the responsibility and the Guiding Principles of the OECD
- ✓ **Mr. Gérard Liberos**
vice president of the National Federation of cooperative associations for building production
- ✓ **Mr. Bernard Saincy**
Corporate Responsibility Director of GDF Suez
- ✓ **Mrs Emily Sims**
Senior Programme Specialist for Multinational Enterprises, ILO

The Rapporteur also spoke with **Mrs. Isabelle Daugareilh**, research director at the Centre for Comparative Labour Law and Social Security (COMPTRASEC) of the University of Bordeaux IV and **Mr. Fatoux Francois**, CEO of the Observatory of Corporate Social Responsibility (ORSE).

He is also very grateful to **Mr. Pierre-Yves Chanu**, confederation CGT adviser for his wise counsel and support he has provided throughout the preparation of the opinion.



LES AVIS
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