



An Analysis of Policy References made by large EU Companies to Internationally Recognised CSR Guidelines and Principles

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1. Introduction

In October 2011, the European Commission adopted a new strategy on corporate social responsibility (CSR).¹ The strategy places a strong emphasis on a core set of internationally recognised CSR guidelines and principles. It highlights in particular the 10 principles of the UN Global Compact; the OECD Guidelines for Multinational Enterprises; the ISO 26000 guidance standard on social responsibility; the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy; and the UN Guiding Principles on Business and Human Rights. The European Commission refers to these instruments as “an evolving and recently strengthened global framework for CSR.”

As part of its strategy, the European Commission invites large enterprises to make a commitment to take account of these instruments when developing their own policies on CSR, and announces an intention to monitor such commitments for enterprises with more than 1.000 employees. This paper is part of that monitoring exercise.

The aim is to present statistics on the extent to which 200 randomly selected large companies (over 1.000 employees) from 10 different EU Member States make publicly available policy references to certain internationally recognised CSR guidelines and principles. The 10 Member States are the Czech Republic, Denmark, France, Germany, Italy, the Netherlands, Poland, Spain, Sweden and the UK. It is not the objective of this paper to analyse the extent to which any individual company in the sample meets the expectations contained in any particular CSR instrument.

Policy statements are not an end in themselves. Ultimately what an enterprise does matters far more than what it may say in a policy statement. A credible policy statement is, however, an important starting point, especially for larger enterprises adopting a more formal approach to CSR than smaller enterprises. CSR policies that are clearly built with reference to internationally recognised CSR guidelines and principles are likely to gain in credibility. The more that enterprises openly refer to the core set of internationally recognised CSR guidelines and principles, the more possible it becomes to have a similar set of expectations regarding responsible business wherever enterprises operate in the world.

¹ http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm

2. Methodology

2.1 Internationally recognised CSR guidelines and principles

This study analysed the public references that companies make to the following instruments:

- United Nations Global Compact
- Universal Declaration on Human Rights
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises (OECD Guidelines)
- ISO 26000 Guidance Standard of Social Responsibility (ISO 26000)
- ILO Core Conventions and the Declaration on Fundamental Principles and Rights at Work (Instruments of the ILO)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy (ILO MNE Declaration)
- Global Reporting Initiative (GRI)

This list is based on the core set of 5 internationally recognised CSR guidelines and principles identified by the European Commission in its Communication on CSR adopted in October 2011: the 10 principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ISO 26000 Guidance Standard, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises on Social Policy (ILO MNE Declaration), and the UN Guiding Principles on Business and Human Rights.

The analysis also took account of some additional instruments that many companies are known to refer to: the Universal Declaration on Human Rights, the ILO Core Conventions and the Declaration on Fundamental Principles and Rights at Work (collectively referred to in this paper as the Instruments of the ILO), and the Global Reporting Initiative.

Additionally, the analysis also looked at whether or not companies made a general reference to "corporate social responsibility" or an equivalent term, regardless of any reference to a particular instrument.

Regarding the different instruments of the ILO, the European Commission makes specific reference to the ILO MNE Declaration in its 2011 communication on CSR because that is the only ILO text that is specifically addressed to enterprises.

2.2 Selection of Companies

The sample of 200 EU companies is based on a random selection of 20 companies from each of 10 EU countries as Diagram 1 illustrates.

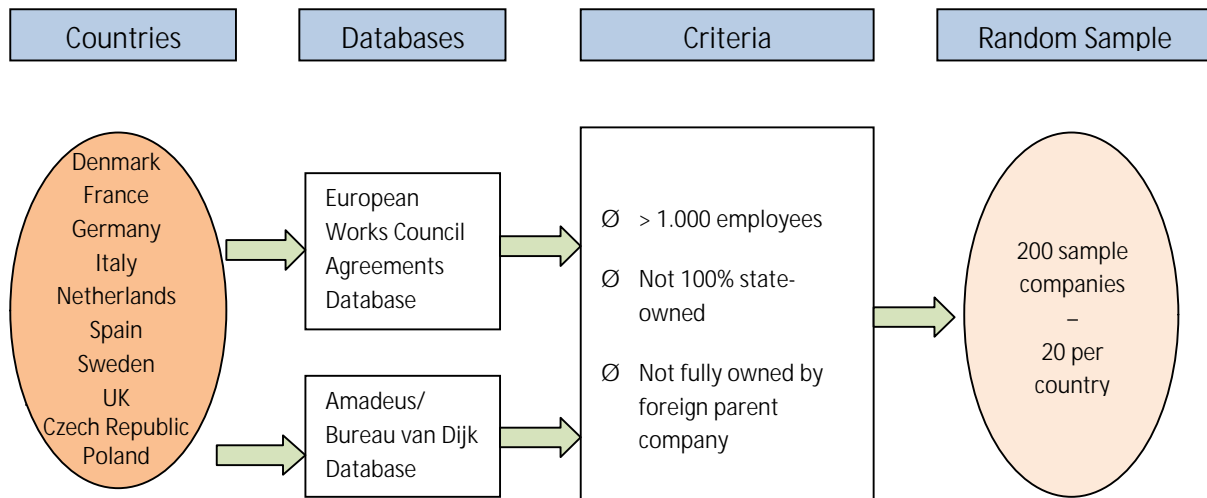


Diagram 1

For all countries except Poland and the Czech Republic, companies were randomly selected from the Database on European Works Council Agreements,² which lists all companies, public and private, with more than 1000 employees, of which at least 150 employees work in another country.

As the European Works Councils database appeared to not fully cover Polish and Czech companies, the random samples for these two countries have been drawn from the Amadeus/Bureau van Dijk database. The same selection criteria were applied, with the exception of the requirement for at least 150 employees to be working abroad.

Fully state-owned companies, and companies fully owned by a foreign parent company, were excluded from the sample for all countries.

This random selection methodology led to a sample with the following characteristics:

- About half of the companies have between 1.000 and 10.000 employees, and the other half have more than 10.000 employees. About one quarter of the companies have over 20.000 employees, with the largest company having 534.500 employees.
- The distribution of company sizes is roughly the same for all countries, except for the Spanish sample which contains slightly more companies with over 20.000 employees. The distribution of companies in the sample by number of employees is shown in Figure 1 A in Appendix A.
- 53,5% of the companies in the sample are privately owned, and 46,5% are publicly listed.
- The sample does not carry any bias regarding industry sector or whether or not the company has a CSR/Sustainability policy.

² <http://www.ewcdb.eu/companies.php>

2.3 Policy References

The analysis was based solely on publicly available information found on company websites, including company annual or CSR/Sustainability reports, business principles or codes of conduct. While every reasonable effort has been made to identify all publicly available references to CSR instruments, it might be that some references were not identified. Individual companies were not contacted to verify the accuracy of the data collected.

This analysis was conducted between November 2012 and January 2013. Where information was taken from the annual or CSR/sustainability reports, it should be noted that such reports were published in spring 2012 and based on the accounting year 2011.

3. Findings

3.1 Main findings

The analysis of publicly available information from 200 randomly selected large companies (over 1.000 employees) leads to the following main findings:

- 68% of the sample companies make reference to "corporate social responsibility" or an equivalent term, and 40% refer to at least one internationally recognised CSR instrument.
- 33% of the sample companies meet the European Commission's call to refer to at least one of the following: UN Global Compact, OECD Guidelines for Multinational Enterprises, or ISO 26000.
- 2% of the sample companies meet the European Commission's call to refer to the ILO MNE Declaration.
- 3% of the sample companies refer to the UN Guiding Principles on Business and Human Rights, which the European Commission expects all enterprises to implement with regard to the corporate responsibility to respect human rights.
- The UN Global Compact and the Global Reporting Initiative, with 32% and 31% respectively, are the most commonly referenced instruments, followed by the Universal Declaration of Human Rights and the Instruments of the International Labour Organisation.
- Very large companies in the sample (those with over 10.000 employees) are about 3 times more likely to refer to internationally recognised CSR instruments than companies with between 1.000 and 10.000 employees.
- Danish, Spanish and Swedish sample companies refer to internationally recognised CSR instruments more often than the average EU sample company. Dutch, French and Italian companies were about average for the sample, and Czech, German, Polish and UK companies in the sample refer to CSR instruments less frequently than the average.

Figure 1 illustrates the proportion of sample companies making reference to CSR instruments: 2/3 of the companies make reference to "corporate social responsibility" or an equivalent term, and 40% refer to at least one internationally recognised CSR instrument.

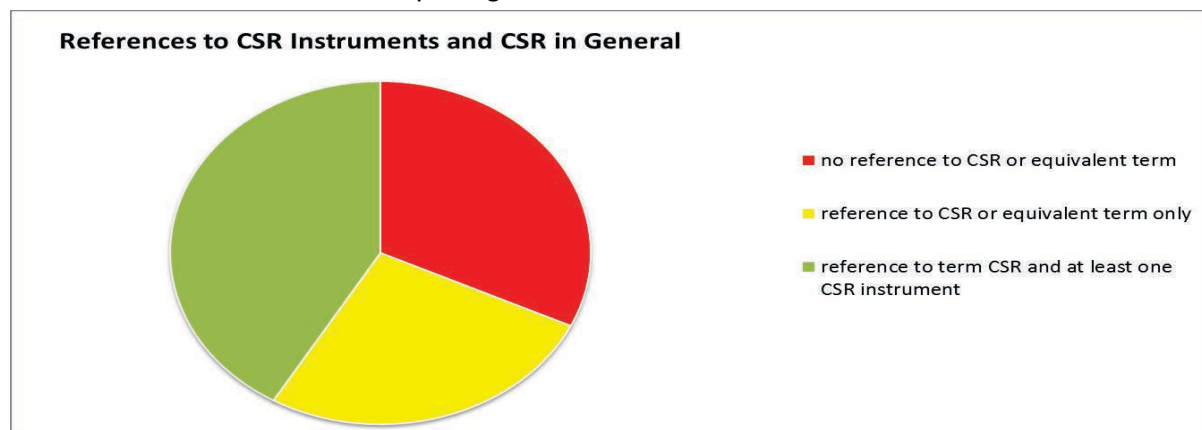


Figure 1



Figure 2

The UN Global Compact is, with 32%, the most frequently referenced CSR instrument among the sample companies. The GRI is referenced almost as often, by 31% of the sample companies. The Universal Declaration of Human Rights, the instruments of the ILO, the OECD Guidelines and ISO 26000 are, in descending order, less frequently referenced. The UN Guiding Principles on Business and Human Rights, and the ILO MNE Declaration, are referenced by very few sample companies, just 3% and 2% respectively.

3.2 Findings in relation to expectations of the European Commission

3.2.1 References to at least one of: UN Global Compact, OECD Guidelines or ISO 26000

In its 2011 communication on corporate social responsibility, the European Commission invited "all large European enterprises to make a commitment by 2014 to take account of at least one of the following sets of principles and guidelines when developing their approach to CSR: the UN Global Compact, the OECD Guidelines for Multinational Enterprises, or the ISO 26000 Guidance Standard on Social Responsibility."

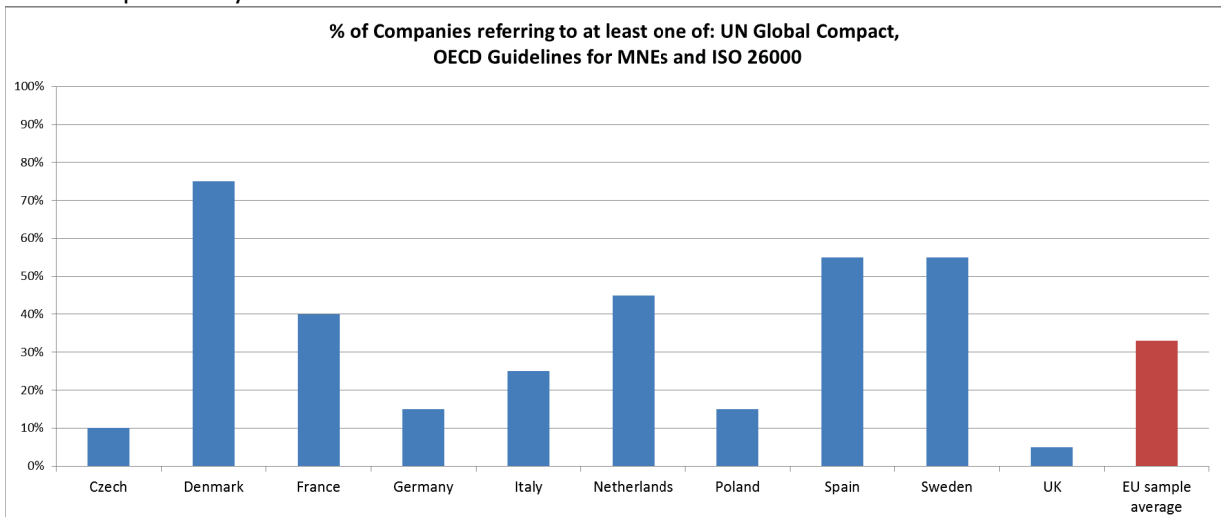


Figure 3

33% of the EU sample companies make reference to at least one of the UN Global Compact, the OECD Guidelines or ISO 26000. 75% of the Danish companies in the sample, and more than half of

the Swedish and Spanish companies in the sample, refer to at least one of the instruments in question. In the case of Czech, German, Polish and UK companies, the proportion is less than 15%.

3.2.2 References to the ILO MNE Declaration

In its 2011 communication on corporate social responsibility, the European Commission also invited "all European-based multinational enterprises to make a commitment by 2014 to respect the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy."

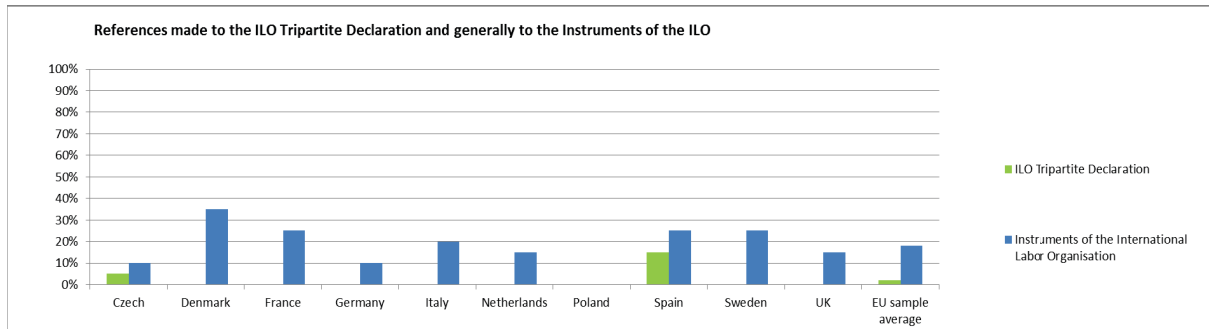


Figure 4

The analysis found very few references to the ILO MNE Declaration, just one Czech company and 3 Spanish companies from the total sample of 200 companies. About 20% of companies in the sample did refer to the general instruments of the ILO, although not to the MNE Declaration specifically.

3.2.3 References to the UN Guiding Principles on Business and Human Rights

In its 2011 communication on corporate social responsibility, the European Commission stated its expectation that all European enterprises should "meet the corporate responsibility to respect human rights, as defined in the UN Guiding Principles [on Business and Human Rights]."

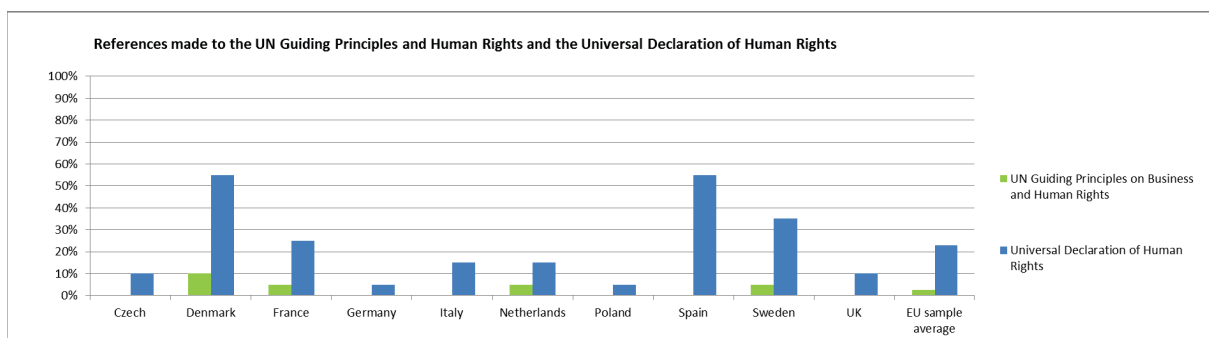


Figure 5

The number of sample companies referring to the UN Guiding Principles on Business and Human Rights is very low, only 5 companies from the total sample of 200 companies. More sample companies, 23%, refer to the Universal Declaration of Human Rights, with large variations between countries.

3.3 Reference to CSR Instruments in Relation to Company Size

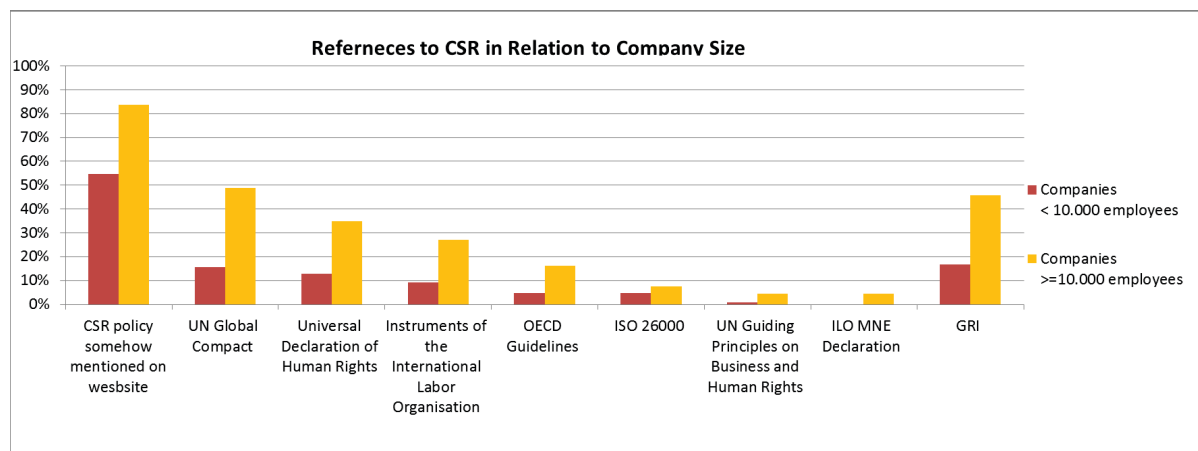


Figure 6

Figure 7 shows a significant difference in the number of references to internationally recognised CSR instruments made by large companies and by very large companies. Companies with more than 10.000 employees are about 3 times more likely to refer to specific internationally recognised CSR instruments than companies with between 1.000 and 10.000 employees.

3.4 Reference to CSR Instruments based on type of Company Ownership

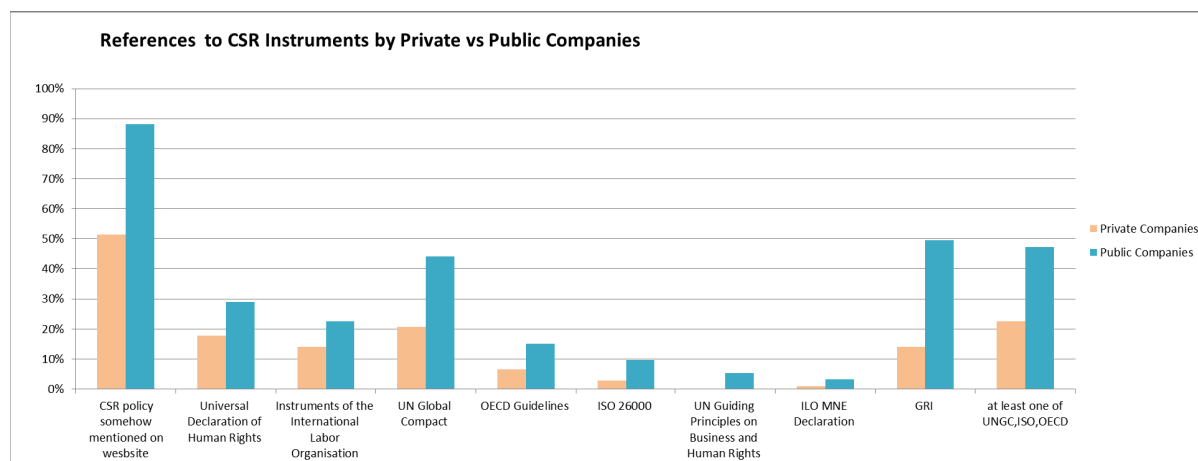


Figure 7

Publicly listed sample companies are almost twice as likely to refer to CSR instruments compared to privately owned companies. Company size may be a contributing factor to this result, since very large companies (over 20.000 employees) are more likely to be publicly listed than large enterprises (between 1.000 and 10.000 employees). However, company size alone cannot explain this result. Figure 2A in the appendix illustrates that the sample contains a large number of publicly listed companies with between 1.000 and 10.000 employees.

3.5 Overview of References Made to CSR Instruments by Country

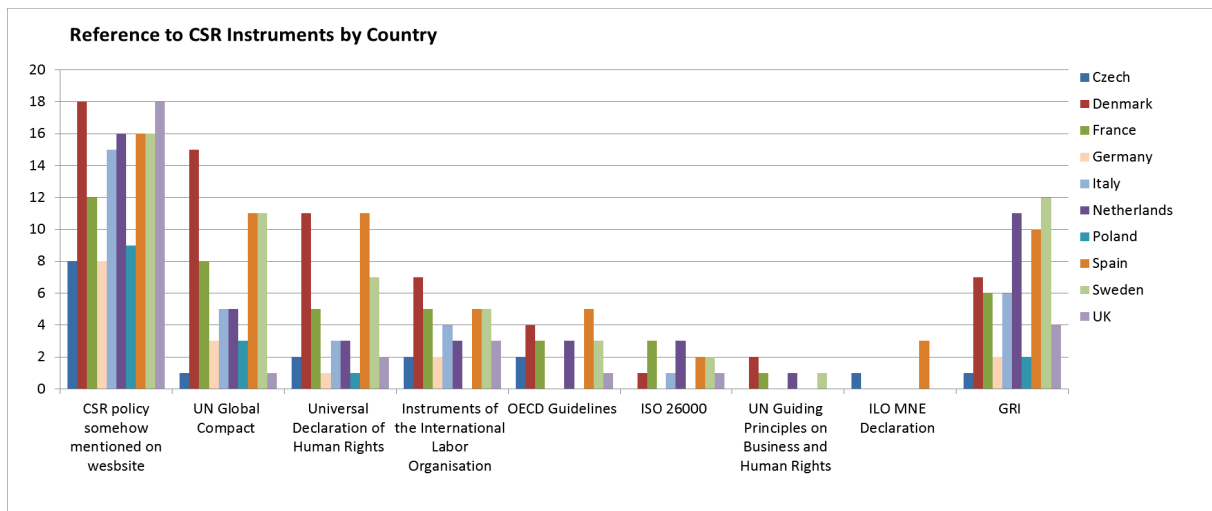


Figure 8

A brief look at the below *Figure 6* shows that whether a company makes reference to any of the internationally recognised CSR guidelines and principles varies according to the country of origin of the company. This effect cannot be explained by variations in company size, since there is a similar distribution of company size in each country sample.

Danish companies in the sample lead the statistic on referring to the UN Global Compact, the Universal Declaration of Human Rights, the instruments of the ILO and the UN Guiding Principles on Business and Human Rights. Spanish companies in the sample lead on making reference to the OECD Guidelines and the ILO MNE Declaration, while Dutch and French companies make most references to ISO 26000.

Overall the analysis suggests the following classification into three groups:

1. Danish, Spanish and Swedish sample companies make the most references to internationally recognised CSR instruments.
2. French, Italian and Dutch sample companies make around average number of references to internationally recognised CSR instruments.
3. Czech, German, Polish and UK sample companies make fewer references to internationally recognised CSR instruments than the average EU sample company.

3.6 Reference to CSR Instruments per Country

3.6.1 Czech Republic

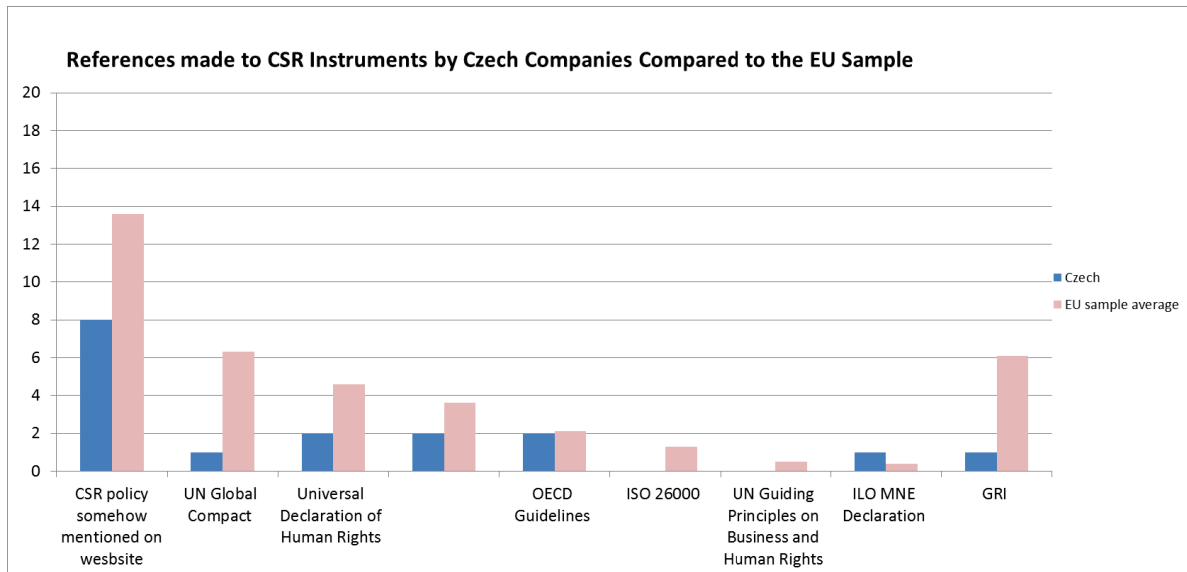


Figure 9

Figure 9 indicates that the Czech companies in the sample make fewer references to internationally recognised CSR instruments than the average EU sample company. Only for the ILO MNE Declaration this does not hold.

3.6.2 Denmark

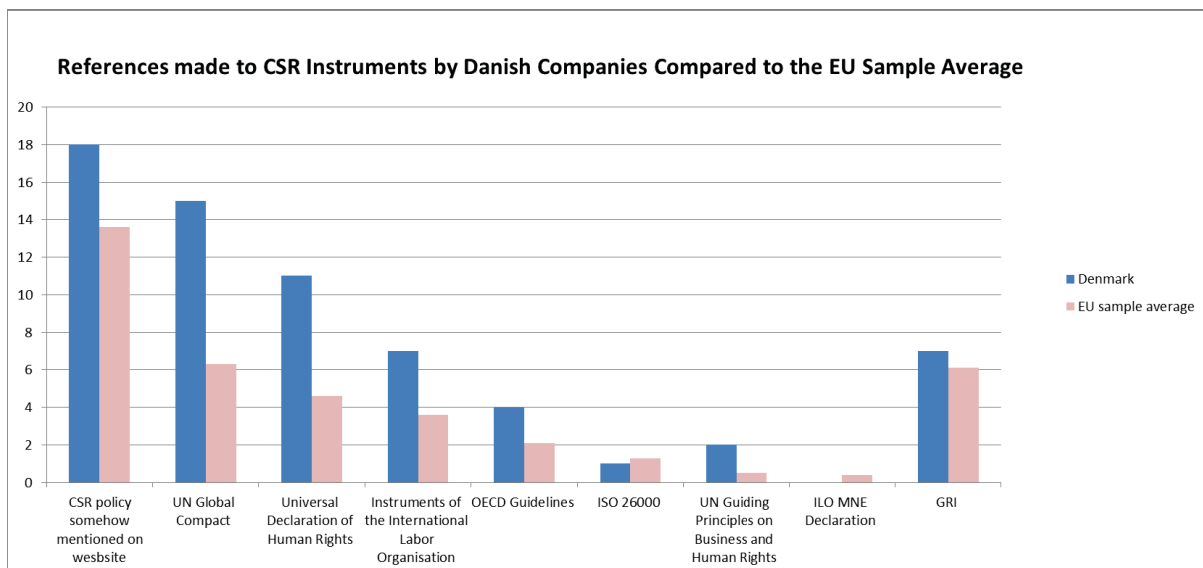


Figure 10

Figure 10 indicates that the frequency by which Danish companies make reference to CSR instruments by far exceeds the EU sample average, except for ISO 26000 and the ILO MNE Declaration. The latter is not referenced by any Danish company in the sample.

3.6.3 France

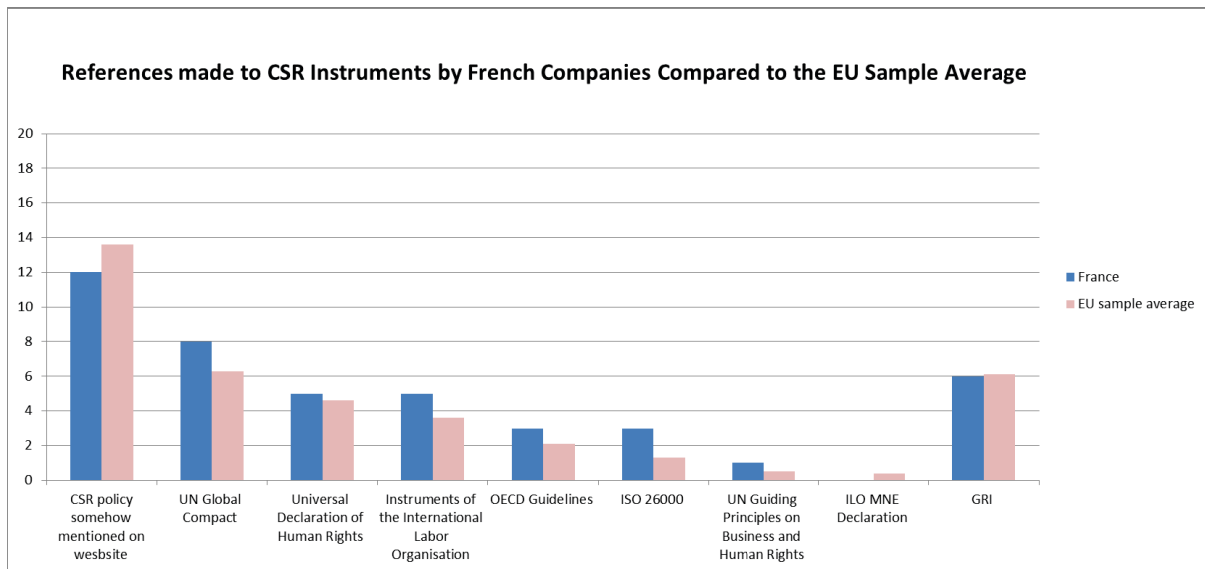


Figure 11

Figure 11 depicts a slightly above average level of references made to CSR instruments by French sample companies, except for the ILO MNE Declaration which none of the French companies refers to. In addition, the amount of general references to CSR made by French companies lies slightly below the EU sample average.

3.6.4 Germany

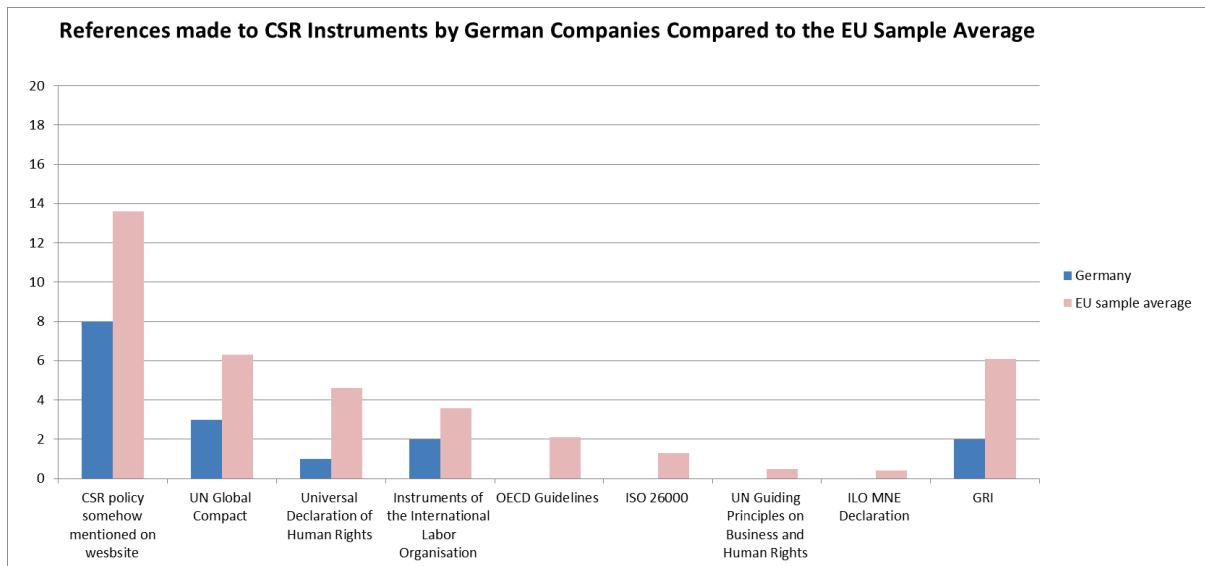


Figure 12

The level of references made by German sample companies lies, as Figure 12 shows, below the EU sample average for all CSR instruments. None of the German companies in the sample refers to the OECD Guidelines, ISO 26000, the UN Guiding Principles on Business and Human Rights, or the ILO MNE Declaration.

3.6.5 Italy

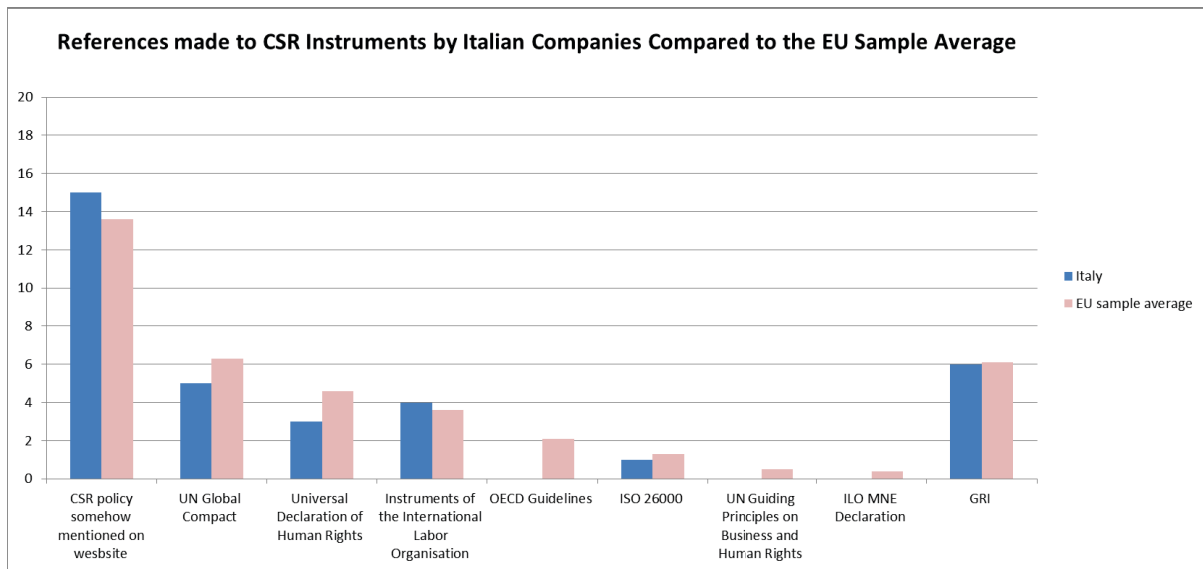


Figure 13

Italian sample companies are around the EU average for all instruments, except the OECD Guidelines, UN Guiding Principles on Business and Human Rights and the MNE Declaration, which are not mentioned at all.

3.6.6 Netherlands

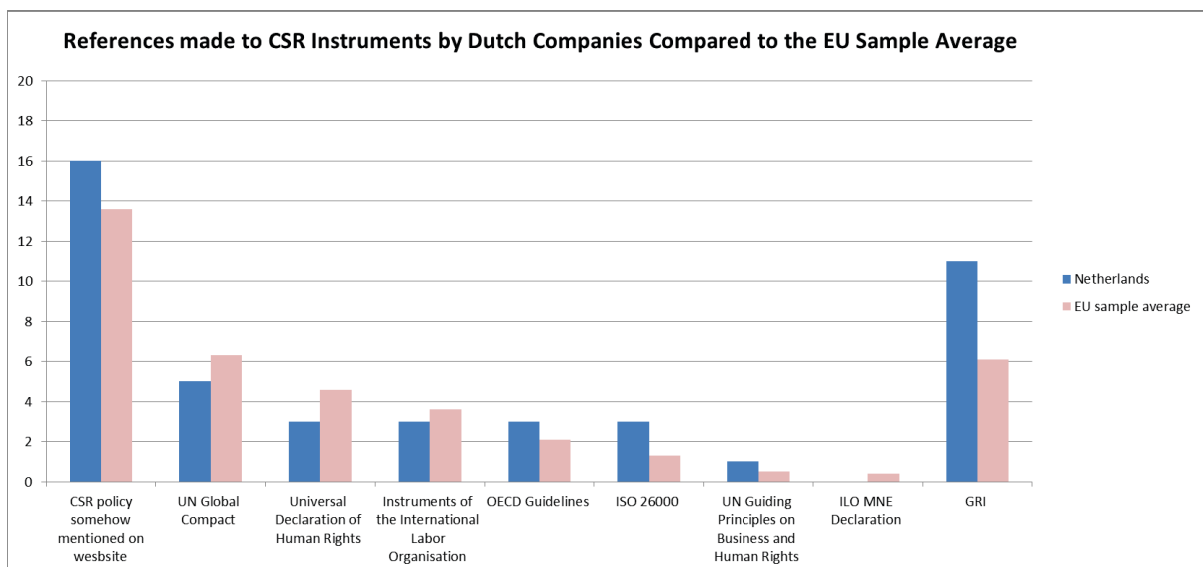


Figure 14

The OECD Guidelines, ISO 26000, the UN Guiding Principles on Business and Human Rights, and the GRI are more frequently referenced by Dutch sample companies than the EU sample average company. The same holds for general references made to CSR and GRI. For the other instruments the level of references made by Dutch sample companies lies slightly below the EU sample average.

3.6.7 Poland

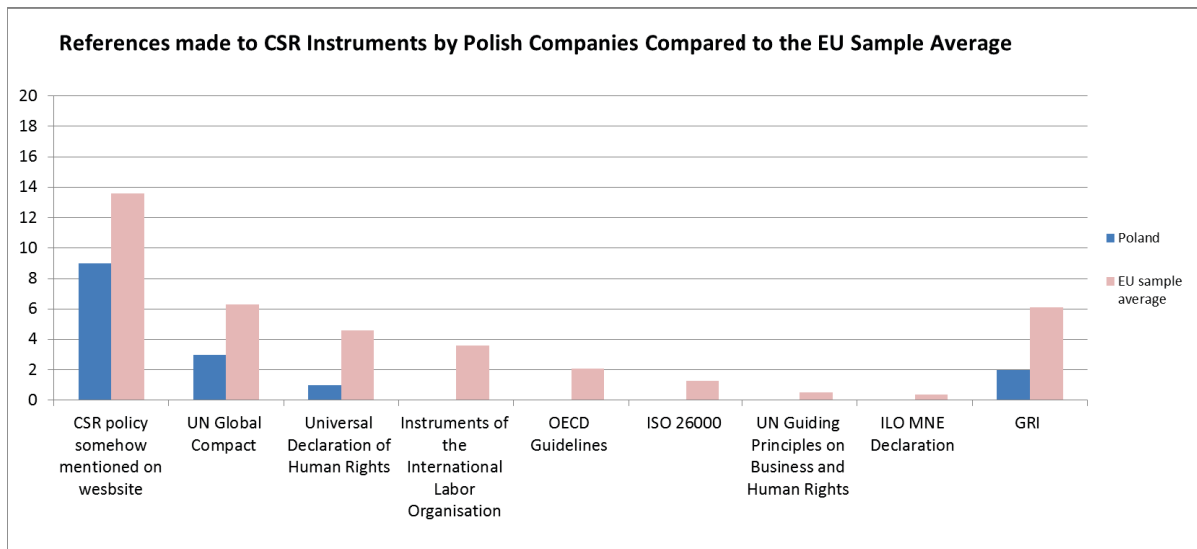


Figure 15

Of the whole sample, Polish sample companies showed the least references to any of the internationally recognised CSR principles and guidelines. There are only references made to the UN Global Compact and the Universal Declaration of Human Rights.

3.6.8 Spain

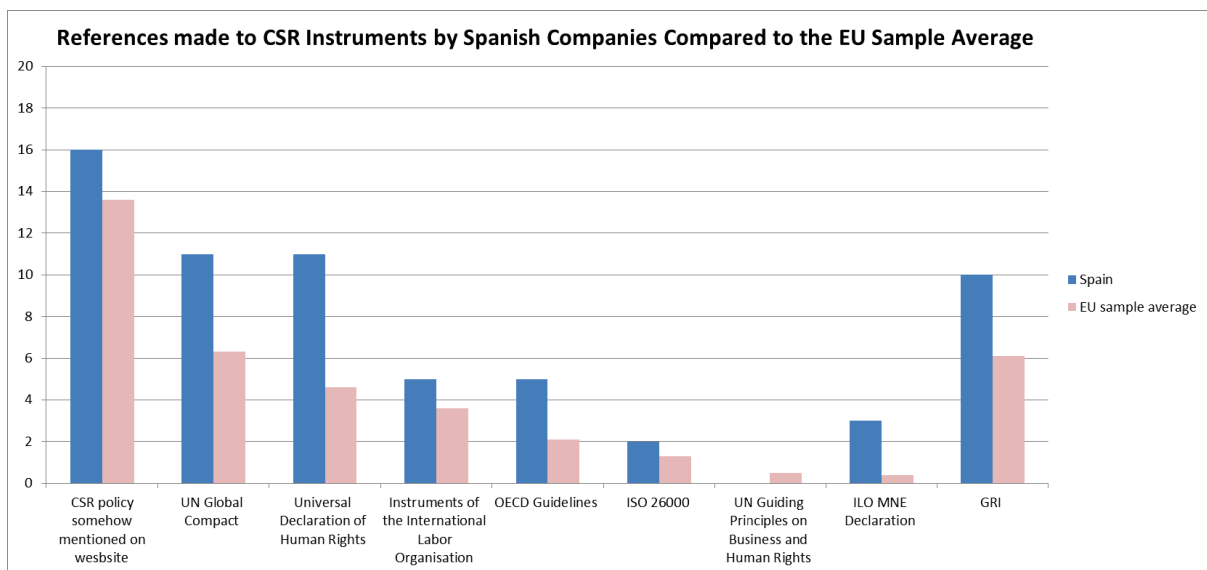


Figure 16

Except for the UN Guiding Principles on Business and Human Rights, which none of the Spanish companies in the sample refers to, Spanish companies make more policy references to internationally recognised CSR principles and guidelines than the average EU sample companies.

3.6.9 Sweden

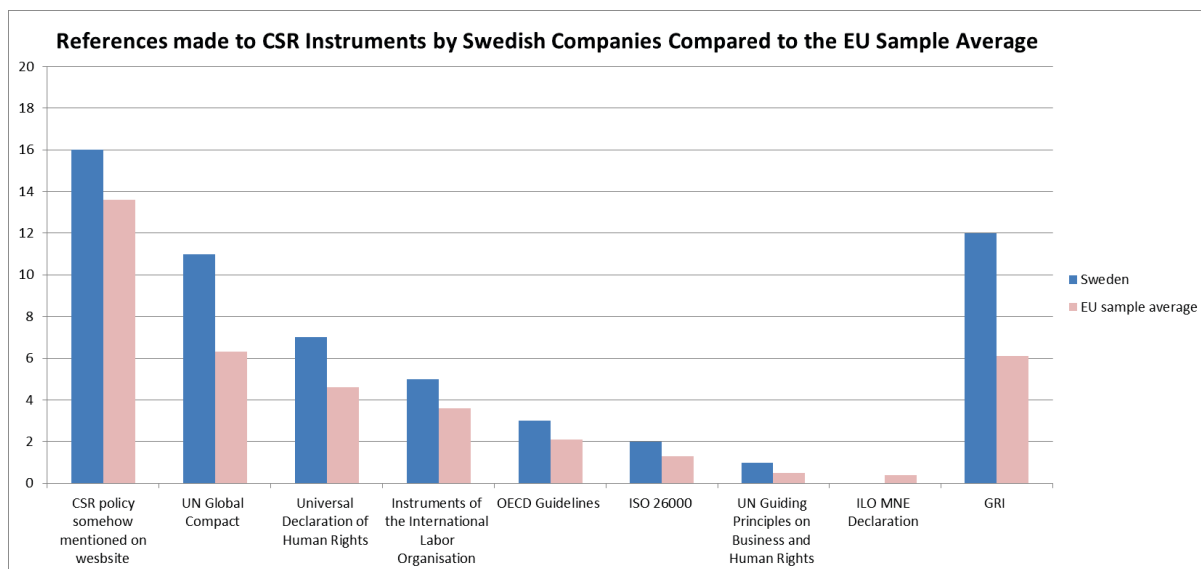


Figure 17

Swedish companies are more likely than the EU sample average to refer to internationally recognized CSR instruments, except for the ILO MNE Declaration. The latter is not referenced by any of the Swedish companies in the sample.

3.6.10 UK

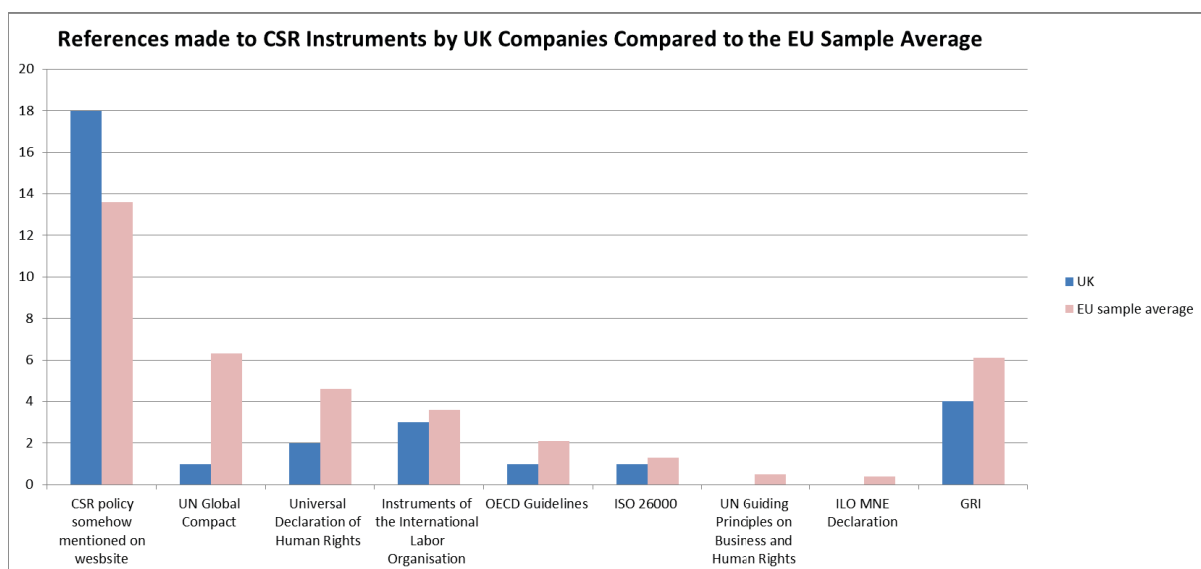


Figure 18

90% of the UK sample companies refer to CSR in general, which is well above the EU sample average, but the level of references made to any of the internationally recognised CSR instruments lies well below the average. No references at all were made to the UN Guiding Principles on Business and Human Rights and the ILO MNE Declaration.

Appendix A:

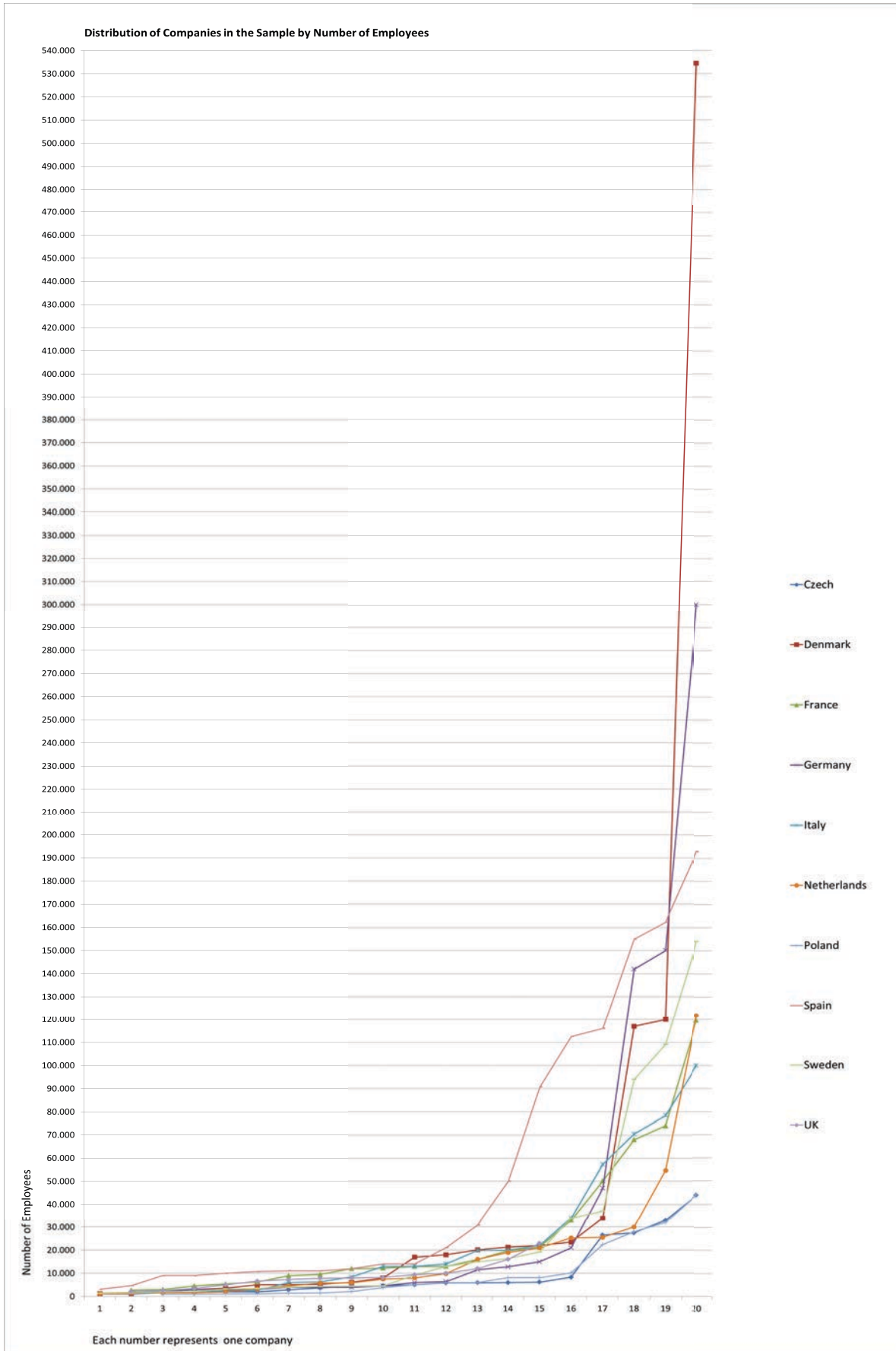


Figure 1 A

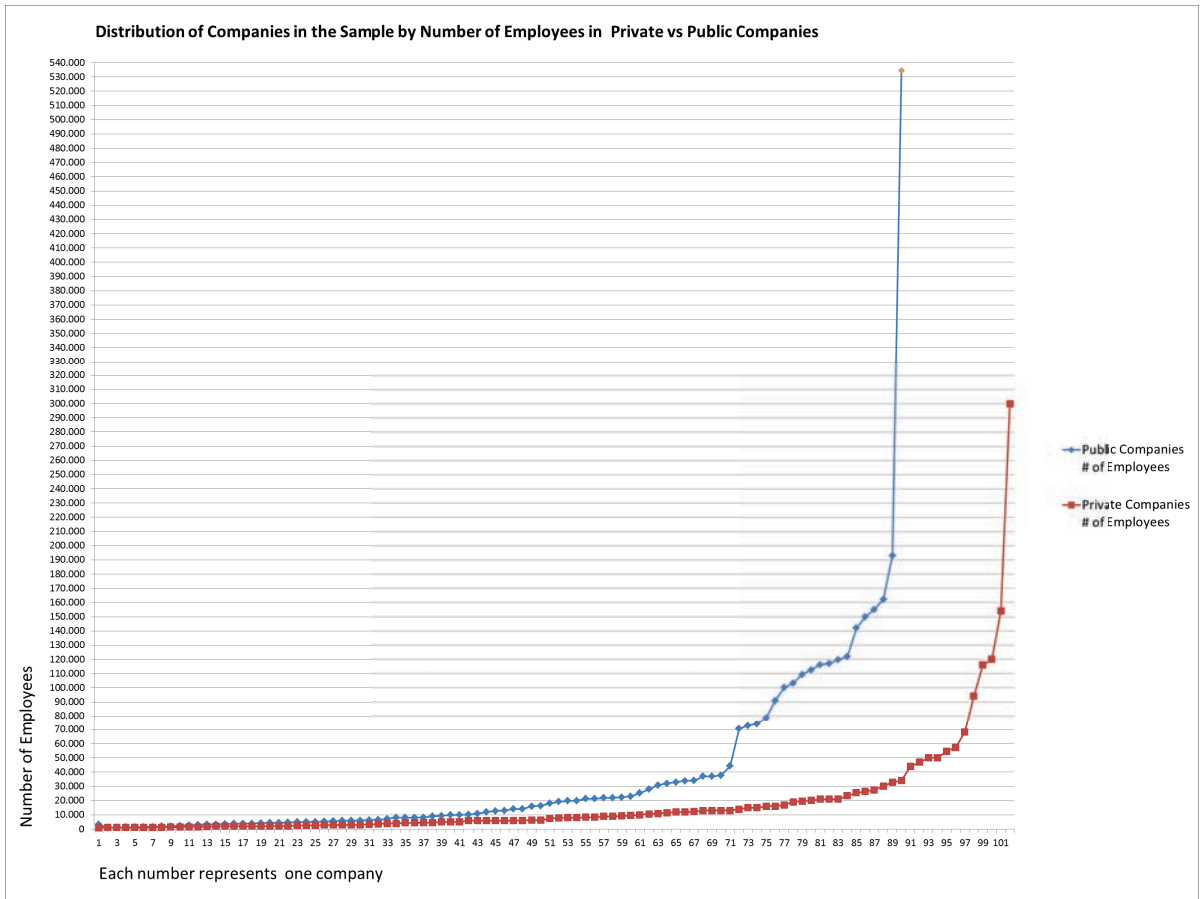


Figure 2 A

Appendix B:

List of Companies included in the Sample:

Czech Republic	Denmark	France	Germany	Italy	Netherlands	Poland	Spain	Sweden	UK
Toms Fabrikker	International Service System A/s (iss)	Antalis	Gehe	Manuli	Achmea Holding	Grupo Boryszwe	SAICA	Ericsson	Wincaton
Agrofert	Hempel	Bigard	Kaltenbach & Voight Dental	Prysmian	Koninklijke Nedschroef Holding	Orlen	Iberdrola Group	H&M Hennes & Mauritz	Aegis Group
Zentiva	Falck	Manoir Industries	Stadtwerke Leipzig	Italcementi	Philips Electronics	Kogeneracja	Tafisa	IKEA	TRW Automotive
CEZ Group	JYSK	Saur Group	Hornbach Holding AG	Grupo Beltrame	Strukton	PKP Energetyka	Roca Radiadores	EF Education	Devro International
Alpiq	Solar	Eram	SEW Eurodrive	Pirelli	Heijmans	Fota	BBVA	Perstorp	Booker
M3.C	Rezidor Hotel Group	Matel	Koenig & Bauer	Gruppo CLN	Weleda Benelux	Polbau	Prosegur	Ovako	Loyds Register
Ceska televize	Vestas	Capgemini	Hermes Schleifmittel	Gruppo Tessile Miroglio	Koninklijke Wessanen	Profim	Abertis	Capio	UBM
Skoda	E. Phil & Son	Faiveley ransport	Ul Lapp Kabel	Snaidero	Koninklijke Volker Wessels Stevin	Pamapol	Inditex	Boliden	Senior Engineering group plc
Diseven	LEO Pharma	Bull	Hellweg	Finmeccanica	Aegon	Groclin	Cepsa	SKF	Wightcroftlighting
Czech coal	Cowi	Lagardere	Haribo	Marazzi	SHV Holding	Tauron Polska Energia	Elposzo	Trioplast	Johnston Press
Eurovia	Radiometer	Grand Vision	Cinemaxx	San Benedetto	Avebe	PGNIG	Uralita	Getinge	Boots
TRZ	Schur	Cemoi	Deutsche Bahn	grupo de Agostini	Friesland Campina	grupo lotus	Celsa group	Holmen	Legal & General Group
CGS	Danish crown	Keolis	Leitz	Technit	Vanse Gansewinkel	PGE	Grupo Santander	Preem	Rank
Vitkovic Power	Danske Bank	Sonepar	Cargobull	Intesa SanPaolo	Jumbo supermarkten	ENEA SA	Aguas de Barcelona	AR CartonENEL	Imperial Tobacco
Czech Airlines group	Nowaco	Atos	Eurokai	CIR Group	Atradius	Synthos	Grupo Anatolin	Kappahl	Caparo
JUTA	Novo Nordisk	Egis Group	Friedhelm Loh gruppe	Barilla	Roto Smeets Group	Kopex	Banco Popular	AAK	Laura Ashely
AGEL	Coloplast	Mobivia Groupe	Allianz	Impreglio	Eriks	Black Red White	Grupo ACS	SCA	RECKITT BENCKISER GROUP
Prazske sluzby	DSV group	A Raymond	Thyssen Krupp	KME Group	Central Suggar Manufacturing	Remontowa	Eroski	BILIA	Smith Group
Spolchemie	AP Moller Maersk	Valeo	Dachser	Unichips	Blokker	Solaris Bus	Fomento de Construcciones y Contratas	Lindab	Lloyds Banking Group
Sokolovska uhelna	International Service System A/s (iss)	Sodiaal	Schwing	Manuli	Koningklijke Tencate	Impel	Pescanova	Swebank	RPC Group

