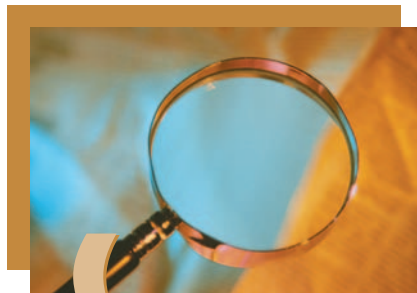


R E S E A R C H



Corporate social responsibility
and safety and health at work



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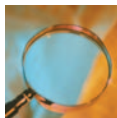
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Contents

1.	FOREWORD	5
2.	EXECUTIVE SUMMARY	7
	2.1. <i>Introduction</i>	7
	2.2. <i>Introduction to CSR</i>	7
	2.3. <i>Company case studies</i>	8
	2.4. <i>Initiatives to stimulate CSR</i>	9
	2.5. <i>Conclusions and recommendations</i>	10
3.	INTRODUCTION: CORPORATE SOCIAL RESPONSIBILITY AND SAFETY AND HEALTH AT WORK	13
	3.1. <i>Introduction</i>	13
	3.2. <i>Development of CSR</i>	14
	3.3. <i>The driving forces behind CSR</i>	15
	3.4. <i>The relationship between CSR and safety and health at work</i>	15
4.	ELEVEN EXAMPLES OF 'GOOD PRACTICE' IN CSR	19
	4.1. <i>Acroplastica, plastic elements (Italy)</i>	19
	4.2. <i>Angelantoni, cold technology products (Italy)</i>	21
	4.3. <i>Anne Linnonmaa, knitwear company (Finland)</i>	24
	4.4. <i>Api, refinery (Italy)</i>	26
	4.5. <i>Happy Computers, computer training (UK)</i>	28
	4.6. <i>Moonen, painting and construction maintenance (Netherlands)</i>	33
	4.7. <i>Otto, retailing group (Germany)</i>	36
	4.8. <i>UPM-Kymmene, paper and other forest products (Finland)</i>	40
	4.9. <i>Van de Velde, underwear fashion (Belgium)</i>	44
	4.10. <i>Voerman, international removers (Netherlands)</i>	47
	4.11. <i>Volkswagen, automobiles (Germany)</i>	51
5.	EUROPEAN, GLOBAL AND NATIONAL INITIATIVES TO PROMOTE CSR — DEVELOPMENTS IN THE CONTEXT OF ORGANISATIONS	55
	5.1. <i>Introduction</i>	55
	5.2. <i>Overview of different types of international (European and global) initiatives</i>	56
	5.3. <i>CSR initiatives: national examples</i>	69
	5.4. <i>Innovative OSH Initiatives related to CSR</i>	89
6.	ANALYSES	99
	6.1. <i>Analysis at company level</i>	99
	6.2. <i>Analyses of changes in the context of organisations due to CSR</i>	105
	6.3. <i>Changing perspectives in the context of organisations</i>	109
7.	CONCLUSIONS AND RECOMMENDATIONS	115
	7.1. <i>Conclusions</i>	115
	7.2. <i>Recommendations</i>	115
	REFERENCES	123

1. FOREWORD

Corporate social responsibility (CSR) has been defined by the European Commission as the integration by companies of social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In 2001, the European Commission launched a European debate with the publication of the Green Paper on 'Promoting a European framework for corporate social responsibility'. This was followed a year later by a second communication presenting an EU strategy to promote CSR. At the same time, the European Agency for Safety and Health at Work organised a European seminar exploring the link between CSR and work health. Both initiatives demonstrated clearly that CSR is a strategically important development for European business and policy makers, and that safety and health at work is very much an integral part of the CSR concept.

More recently an 'EU multi-stakeholder forum on CSR' has been initiated by the Commission with the aim of promoting better understanding of CSR and fostering dialogue between the business community, trade unions, civil society organisations and other stakeholders. Chaired by the Commission, it brings together European representative organisations of employers, business networks, trade unions and NGOs, to pro-

mote innovation, convergence and transparency in existing CSR practices and tools.

Clearly, CSR can make a contribution to the strategic goal set by the Lisbon summit of March 2000, and to the European strategy for sustainable development, as well as to promoting core labour standards and improving social and environmental governance in the context of globalisation.

In this context, the European Agency for Safety and Health at Work decided to commission this report in order to explore the actual relationship between CSR and occupational safety and health (OSH). Eleven case studies show how enterprises have integrated OSH issues in CSR and these are complemented by a review of global/European and national initiatives to promote CSR.

Within the limitations of the project, the report aims give readers a better insight into the CSR initiatives, and to identify key issues that need further research and debate. It is hoped that the findings presented in this publication can therefore be used as input for European and national debates on the consequences of CSR policies for strategies to promote health and safety at work and vice versa.

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European Agency for Safety and Health at Work
April 2004

2.



EXECUTIVE SUMMARY

2.1. Introduction

Corporate social responsibility (CSR) was defined by the European Commission as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. To be socially responsible means going beyond fulfilling the legal expectations, by also investing 'more' into human capital, the environment and the relations with stakeholders. There can be no doubt that safe and sound working conditions and good worker health belong to the social responsibilities of

companies and can be regarded as an integral part of CSR.

A distinction is often made between three aspects of the social dimension of corporate social responsibility, as follows.

- Internal aspects: human resource management, health and safety at work (OSH), business ethics, adaptation to change, and organisational learning — requires participation of workers or their representatives.
- External local: local corporate citizenship — requires cooperation with business partners, local authorities and local NGOs.
- External worldwide: human rights, global environmental concerns, safety and health in supply companies, corporate citizenship worldwide — requires communication with consumers, investors, globally operating NGOs, etc.

This report explores the interactions between CSR and safety and health at work both at company and policy level.

2.2. Introduction to CSR

A concise introduction gives an overview of the development of CSR as an inspiring, challenging and strategically important development. The most important drivers behind CSR are:

- creating new opportunities (market enlargement, better reputation);
- better control of business risks for the continuity of the organisation.

The increasing attention given to CSR is also fed by recent financial/accountancy scandals and the growing demands for integrity and transparency of companies.

CSR also raises new issues for management, such as the importance of broad stakeholder involvement and adoption of innovative measures.

In view of these developments, it is clear that CSR is rapidly changing the context of safety and health at work and this is likely to have implications for future OSH strategies at European, national and company level.

2.3. Company case studies

Eleven company cases from six EU countries are presented as inspiring examples. They show that CSR is a development that is taking root in a broad variety of industrial sectors and that is relevant for large companies as well as for small and medium-sized enterprises (SMEs). Although the case descriptions are not a representative selection, jointly they give a good impression of the broad variety of CSR approaches presently being used in European businesses.

The case studies show that implementation of CSR is managed by companies' top-level management and that, in doing so, they use a broad range of methods and tools. In many instances, these CSR-practising companies give the impression of being socially innovative. The implementation of CSR is usually a learning process for the organisation, as blueprints are not readily available or are not suitable for individual companies.

In many cases, CSR activities are triggered by a positive vision and a positively defined concept. Sustainability, social acceptance, servant leadership, development of new business, the creation of new markets, inspiring and attractive products and services, a happy company, health promotion, the enjoyment of stakeholders, and being the employer of choice, are examples of such positive concepts or aims. Such positive aims and visions are not yet very common as drivers in the area of health and safety at work, where risk reduction and control is the dominant paradigm.

Most of the companies viewed CSR as being closely linked with their core business (however,

the selection of cases may have influenced this finding). Ethical motives are important for many of the companies; while for others CSR has become essential as a way of reducing their business risks and guaranteeing their 'societal licence to operate' in the long term.

CSR sometimes blurs the distinction between the impacts of products and services on the one hand, and of the production processes on the other, and takes into consideration the impacts on all stakeholders. While, traditionally, safety and health at work focuses (or is limited to) the impacts of the production processes on the workers, several CSR companies have become an employer of choice. In these companies, employees recognise the extra value of CSR for them: it contributes to the meaning of their work. They can be proud to work for this company, as well as on the company's products. As a result, the employee can identify him or herself with the company, and the relationship between the company and the employee becomes a long-term relationship.

Communication with a broad range of external and internal stakeholders, and the associated processes of transparency and reporting, are seen as being vital for CSR-practising companies. CSR requires a good balance between communication with and involvement of external and internal stakeholders. In this respect, the experience of the OSH community in internal communication and stakeholder participation would seem particularly relevant for the further development of CSR. Some companies practise openness and honesty in external communication to a remarkably high degree with, for example, full presentation online of the results of external evaluations, including details of both strengths and weaknesses.

CSR-practising companies have a clear interest in safety and health at work. Poor standards in health and safety may spoil their image, which would therefore pose a direct threat to the value

of the CSR effort and the continuity of their businesses. Furthermore, they are often involved in social accountability, taking responsibility for the impact of their business activities via suppliers, and also in developing countries (including health and safety at work in overseas suppliers).

The case studies raise a number of questions relevant to the future of safety and health at work and its relationship with CSR and it is hoped that these can be used as input for debates and/or for future research.

- How can health and safety at work become more important for civil society and get more attention from NGOs and in the mass media? How can the impact of safety and health performance on corporate image in the markets for labour and for products and services be used more effectively to increase business interest in safety and health at work?
- Can external stakeholders play a positive role in stimulating safety and health at work? How is social dialogue on safety and health influenced by the broader external stakeholder dialogue of CSR-practising companies?
- How can OSH avoid becoming merely an operational aspect of CSR? The challenge is that CSR policy-makers, top managers, and CSR experts will take strategic decisions, without adequate involvement of OSH professionals and workers' representatives.
- What innovative strategies, methods and tools, regularly used in CSR activities (for example, ethical considerations, codes of conduct, innovative partnerships, unconventional methods for management development, etc.), can be used to improve safety and health at work?

2.4. Initiatives to stimulate CSR

The overview of international and selected national CSR initiatives highlights their relevance for (international/national) policies aimed at

stimulating good safety and health at work. This is complemented by a summary of selected innovative safety and health initiatives that go beyond traditional OSH issues and have either an implicit or explicit relationship with CSR. An effect of the initiatives is that they change the context of safety and health at work at company level.

All initiatives are categorised as follows:

1. raising awareness, awards and ethical initiatives;
2. exchange of knowledge: best practice, networks, pilot projects, and guidelines;
3. standardisation and certification;
4. reporting (external) and communication;
5. innovative partnerships NGOs, public and private;
6. ethical trade initiatives ('fair trade');
7. financial sector involvement / financial incentives.

Some of these categories (such as external reporting and communication, innovative partnerships, ethical initiatives, involvement of the financial sector) are relatively new for the safety and health community; in this way, CSR can help the safety and health community to explore new strategies.

The nature of the relationship between CSR and OSH varies widely among the initiatives. Some refer explicitly to OSH items, while others focus only on new social issues that have no tradition in companies, or on totally voluntary aspects (such as use of hazardous or child labour by suppliers in developing countries). Initiatives for promoting CSR are predominantly private and voluntary, while OSH initiatives are often dominated by legal regulation and governmental action.

It is clear from the overview that, in general, OSH initiatives do not contribute widely to aspects of CSR. Typically, they do not address environmental and economic dimensions of

CSR, nor do they impact on business processes or stakeholder relationships. As such, most OSH initiatives are of limited relevance for the development of CSR.

Another interesting observation relates to the broadening of the policy arena with respect to CSR as compared to OSH. Whereas the social partners and governments are clearly the principal agents in safety and health policies, the arena is much broader in the field of CSR. This includes the involvement of civil society and mass media, as well as non-governmental organisations (NGOs), all of whom play a substantial role.

The abovementioned developments in CSR will undoubtedly have an impact on the safety and health community and will present it with new opportunities and also some challenges. This should stimulate the safety and health community to assess its strengths and weaknesses against the backdrop of these significant developments.

Rather than giving answers, we are now at a stage where it is important to raise the right questions and to stimulate debate among all parties concerned. This should include not only those involved in safety and health at work, such as the OSH stakeholders, but also other stakeholders involved in the CSR developments.

Like the case studies, the overview of CSR initiatives raises a number of questions that are relevant for the future of safety and health at work and for its relationship with CSR.

- What are the most important opportunities presented by the CSR developments for strengthening OSH policies? What is needed to achieve positive impacts?
- What are the strengths and weaknesses of the OSH-community (institutions and persons) that are vital for making OSH an important aspect of CSR?

- How can the value of and experience gained in OSH policies be used most effectively for development of CSR policy at company, national and European level?

2.5. Conclusions and recommendations

Corporate social responsibility is an inspiring, challenging, and strategically important development that is becoming an increasingly important priority for companies of all sizes and types. Health and safety at work is an essential component of CSR and this means that OSH professionals need to be aware of the opportunities and challenges they face.

Today, with increasing globalisation, greater environmental and social awareness, and more efficient communication, the concept of companies' responsibilities beyond the purely legal or profit-related has gained new impetus. In order to succeed, business now has to be seen to be acting responsibly towards people, planet and profit (the so-called '3Ps').

Companies need to project a positive image to the public and to potential employees, as well as to investors. In this respect, safety and health is an important dimension of CSR and companies recognise that they cannot be good externally, while having a poor social performance internally.

Effective communication with stakeholders is fundamental for successful implementation of CSR, and employees, in particular, are vital for changing companies' social or environmental performance. This presents an important area of potential synergy with safety and health at work where participation and dialogue with employees has long been recognised as an essential element for success. Consequently, this gives the OSH professional a key role to play in companies' adoption of CSR.

Given the strategic importance of the CSR development, and its innovative character, it is too early to give concrete guidelines on how to integrate safety and health into CSR. However, a set of specific recommendations for the three most important stakeholder groups at company level is given: for managers, employees and safety and health professionals.

While one could state that all OSH activities are, purely by their nature, part of CSR, there is much more to say about the relationship between CSR and OSH.

3.



INTRODUCTION: CORPORATE SOCIAL RESPONSIBILITY AND SAFETY AND HEALTH AT WORK

3.1. Introduction

This chapter gives a concise overview of the development of corporate social responsibility (CSR), its influence on business developments, and its relationship to safety and health at work. The information presented in this chapter is based on a review of general literature.

Towards the end of the 19th century, it was not uncommon for European companies to have their own social and societal programmes. However, when increasing legislation came to protect workers and to guarantee the well-being of civilians, CSR no longer seemed neces-

sary. At the end of the 20th century, however, a new era of growing interest in CSR began.

A well-known early CSR initiative is the chemical industry's responsible care programme. In the 1980s, this industry sector was confronted with a lot of criticism from environmental pressure groups, while the image of the sector as a whole also suffered due to several catastrophes (e.g. Bhopal, 1984). This hindered the chemical industry in several ways: governments were reluctant to give permits for new facilities, neighbours protested, and many high-skilled workers preferred jobs in other sectors. Moreover the chemical industry suffered lack of credibility with the general public. It became apparent that the overwhelming majority of Europeans believed that Greenpeace was much more credible than the chemical industry concerning the risks associated with chemical production and chemical products. As a result, the chemical industry concluded that their 'licence to operate' was at stake. They launched the responsible care programme, placing a strong emphasis on management activities to guarantee good environmental and safety and health performances, on transparency and external communication, and dialogue with stakeholders.

CSR has developed tremendously during the last decade. Business ethics and social responsibility are themes that are given considerable attention in companies, as well as in academic journals (Kok et al., 2001). Employees, customers, suppliers, competitors, and government are all placing increasing demands on management. Stakeholders expect management to participate in the debate on societal problems (for example, unemployment, poverty, infrastructure, greenhouse effect, etc.) and proactively think about the impact of businesses on society at large.

In the green paper 'Promoting a European framework for corporate social responsibility' (2001), the European Commission describes

CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. To be socially responsible means going beyond fulfilling legal expectations, by also investing 'more' into human capital, the environment and relations with stakeholders. Many experiences show that going beyond legal compliance can contribute to a company's competitiveness and it can also have a direct positive impact on productivity.

This study focuses mainly on the social dimension of CSR, as this dimension is closely related with safety and health at work. Often three aspects of the social dimension of CSR are distinguished:

- internal — human resource management, ethics, health and safety at work (OSH), adaptation to change, management of environmental impacts and natural resources;
- external local — local communities, business partners, local NGOs;
- external worldwide — suppliers and consumers investors, human rights, global environmental concerns, globally operating NGOs.

The European Agency for Safety and Health at Work (2001) describes CSR as 'a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment'. The Agency sees an increasing number of companies promoting their CSR strategies as a response to a variety of social, environmental and economic pressures. The aim behind this development is to send a signal to the various stakeholders with whom they interact: employees, shareholders, investors, consumers, public authorities and NGOs.

Below we describe how CSR has developed over recent years.

3.2. Development of CSR

As mentioned earlier, CSR receives increasingly more attention. CSR focuses on the effects of organisational strategy on the social, environmental and economic impact of organisations' activities, as well as achieving an appropriate balance between these three impacts. As such, CSR is considered a leading principle in the development of innovative business practices (Zwetsloot, 2003). CSR's evolution followed on from the 1990s approach of developing management systems. These management systems were often based on standards and guidelines such as ISO 9000 (quality management), ISO 14001 (environmental management), SA 8000 (social accountability) and OHSAS 18001 (occupational health and safety) and have as their guiding principle 'doing things right the first time' (Zwetsloot, 2003). In so far as these systems focus on planning and rational control of activities, they pay little attention to human aspects. In the long run, this may lead to new problems, since human beings form the basis of most, if not all, organisations.

Focusing on doing things right the first time does not, however, guarantee sustainable success. This is well illustrated by Juran (1988): If the goals are poorly chosen, the planning will be done to reach the wrong goals. We shall be 'doing things right' but not 'doing the right things'. Therefore 'doing the right things right' is another important dimension that is usually not addressed thoroughly in management systems. The rational approach used in management systems often fails to cope with the irrational aspects of questions related to human values, and for these questions another approach is necessary. To ensure the right things are done, it is important to develop shared values within an organisation and to focus on fundamental innovations. Top-level management should initiate this by creating a corporate identity, although it is very difficult. To achieve fur-

ther development of CSR, it is necessary to combine value-based decision-making and the rationalities of prevention and management systems (Zwetsloot, 2003).

3.3. The driving forces behind CSR

The Australian professor David Birch describes (in: Jonker, 2003) some of the driving forces behind CSR: 'As more companies worldwide are recognising the importance (and imperatives) of effective CSR, traditional corporate philanthropy is increasingly being replaced by an ever-widening range of developments and imperatives of more strategic means for realising good corporate citizenship. Some of these imperatives are being driven by a growing need for both mandatory and non-mandatory reporting of the social, environmental and economic impact of business activities; others are driven externally by socially responsible and ethical investment funds and the growing importance of corporate and brand reputation; others stem from stakeholder initiatives and dialogues (such as from consumers, environmental NGOs, etc.), or from growing societal demands of the public at large for improvement of corporate governance and accountability.'

Two important motives for CSR can be identified: creating new chances (market enlargement, better reputation) and better control of risks for the continuity of the organisation (Zwetsloot and Starren, 2003). Increasing attention on CSR is also motivated by recent corporate mismanagement scandals (Ahold, Enron) and the growing demands for companies to be honest and open. The relevance of CSR is illustrated by the fact that two countries (UK and France) have CSR ministers and that the European sixth framework research programme identifies sustainable development and CSR as one of the research priorities for the coming years (Jonker, 2003).

Organisations' stakeholders are considered increasingly important and likewise organisational reputation is a matter of great concern for many organisations. Concern about how reputations affect shareholders' perceptions has led many large companies to consider not only financial performance, but also their environmental and social performance (including OSH performance). In annual reports this is often called triple bottom line reporting (European Agency for Safety and Health at Work, 2001).

Some commercial drivers pushing CSR up the corporate agenda (including OSH) are:

- informed investors recognise that the business risk (both internal and external) for companies that successfully manage their social and environmental impact is lower than the business average;
- large companies recognise that their shares will be sought by a wider group of shareholders and institutions, potentially driving up the share price;
- consumers that have a large choice in a range of products, all of reasonable quality and price, are likely to prefer products that are produced in a socially responsible way. As a result, such products will enjoy greater market share or better profit margin.

The relevance of CSR is clear, but how is it related to the more traditional principle of safety and health at work and how does this relationship function in practice?

3.4. The relationship between CSR and safety and health at work

Segal et al. (2003) consider OSH to be an important aspect of CSR, since workforce safety is one of the aspects used to measure companies' overall progress in CSR:

- product and workforce safety and health;
- labour standards and working conditions, human rights;

- equal opportunity and access to employment.

Fisscher (2003) describes the mechanisms that are relevant for moral competence as well as the question of how responsibility or ethical activities can be stimulated in organisations. In this respect, OSH is considered as one of the essentials for company ethics. The issue of business ethics is closely related to CSR as it brings business values on to the agenda. Further issues that are often considered important in literature include the environment, work and life balance, and the possibility of combining work and care.

Successful integration of OSH in CSR requires certain conditions to be met. Above all, responsibility and accountability should be considered a virtue. It is important to demonstrate integrity and openness towards employees (as well as towards external stakeholders) so that it is possible to develop moral competence in dialogue with employees (Fisscher, 2003). Economic and strategic arguments often form the basis for CSR (including OSH). If moral competence is organised and integrated in a structured way in the daily work of an organisation, OSH will be a logical element of the CSR policy. In this way, not only CSR but also OSH aspects form part of the organisational policy and are therefore considered in a structural way (Fisscher, 2003). But how exactly is OSH related to CSR? According to Zwetsloot and Starren (2003) organisational activities that benefit both OSH and public safety contribute to CSR. OSH activities that benefit public safety, such as increasing the security in a shopping mall, also contribute to CSR. OSH, therefore, is an important element of the social dimension of CSR. Via CSR, it is possible to integrate the OSH policy at a strategic level of the organisation. Integration of OSH aspects in CSR contributes to public appreciation, which is, according to the EFQM models, a main result field and essential for business success. OSH in CSR will also lead to benefits in terms of added

value for reputation, work productivity, consumer loyalty and share value.

Sanders and Roefs (2001) stress that a good integration of OSH in CSR will foster the image of a good employer. This improves its position in the labour market, making it more attractive to potential recruits as well as encouraging loyalty from existing employees.

Mansley (2002) reports on a series of meetings held with major investors and experts from the financial sector, to discuss how health and safety might be integrated successfully into the CSR framework within companies. Institutional investors supported the need for some general indicators to enable them to assess the health and safety performance of companies when making investment decisions.

Investors had clear ideas about which health and safety indicators would be useful. They should be few in number — no more than five or six — relevant to the company in question and, more importantly, comparable between companies, that is, calculated on the same basis. Additionally, globally applicable indicators were preferred. Six factors were identified as core health and safety indicators. These were: whether a director was named as health and safety champion; the level of reporting of health and safety management systems; the number of fatalities; the lost-time injury rate; the absenteeism rate; the costs of health and safety losses.

A barrier to occupational safety and health within CSR was seen to be the lack of convincing data to support the business case for good health and safety management; more work needs to be done in this area. Investors supported the idea that good health and safety performance is an indicator of good management generally. A few investors were prepared to go further and examine the health and safety performance of companies in more detail.

The examples from practice are limited although some case studies show that it is possible for organisations to combine caring for employees (occupational safety and health) and caring for the environment with a good profitability (Cramer, 2003).

Jones (2003) gives the example of the SAS institute, a competitive software company that has one of the most employee-centric, holistic, and balanced work environments in the world. The company pays special attention to the occupational health of employees by having 36 000 square feet of gym space and outside soccer and softball fields. Wellness coordinators assist employees in creating personal fitness and wellness agendas. This not only improves the health of employees but also facilitates work–life integration and adds to the social responsibility of the organisation.

CSR is widely considered to be important in order to successfully manage an organisation. Focusing on purely financial aspects is no longer sufficient to operate in an increasingly demanding society. The social dimension of CSR high-

lights the relevance of people as the most important element of many organisations. Therefore, OSH forms an essential aspect of CSR. In recent years, many initiatives have started at the level of organisations, of branches, of countries and even across countries' borders. It is interesting to determine, based on experiences from recent initiatives and case studies, what the most important success factors are for combining CSR and OSH.

In the next chapter, we will present 11 company cases of 'good practice' of CSR integrated in today's businesses around Europe. Special attention is given to the social aspects of CSR and, of course, to its relationship with safety and health at work. The cases have been provided by the project partners participating in the Agency's Topic Centre on Research.

Chapters four and five give an overview of European (global) initiatives to stimulate CSR that may be relevant for the context of companies and the further development of their OSH policies.

4.1. Acroplastica, plastic elements (Italy)



Introduction to the company and its activities

Founded in 1982 and located in Ponteselice (Caserta), Acroplastica is an independent supplier in the thermoplastic and thermosetting industry. Its main activities are the assembly and storage of parts for domestic electrical appliances. Acroplastica currently employs 150 people, of whom 129 are internal employees and 20 are contracted external workers in supply firms.

External and internal stakeholders

Acroplastica's most important stakeholders comprise the regional authority, the municipality, the local authorities, the governmental bodies (tax office, local health authorities, department of labour), and the trade unions.

Corporate vision of CSR

Approximately four years ago, Acroplastica started procedures to obtain SA8000 certification. Thanks to the CSQT (1), Acroplastica obtained certification and was issued with a 'BVQI/CEP certificate of approval'. This course of action was prompted by the company's need to become innovative in several areas.

- *Market.* The social challenges set by the globalisation process can be addressed effectively only if ethical values play a key role in the

4.



ELEVEN EXAMPLES OF 'GOOD PRACTICE' IN CSR

This chapter presents 11 company cases from six EU countries, selected by the project partners in the respective countries as inspiring examples. The cases show that CSR is a development covering a broad variety of sectors and is relevant not only for large companies, but also for small and medium-sized enterprises (SMEs). The main purpose of the case descriptions is to present a concise overview of the individual cases and to give a good impression overall of the variety of CSR approaches that are currently being used in European businesses.

(1) Il consorzio per lo sviluppo della qualità e delle tecnologie del Canadese.

for other companies in the household appliance industry and, as such, does not supply goods bearing its own trademark. For these reasons, the challenge that Acroplastica plans and wants to pursue is to ensure sustainable development in terms of competitiveness at the local level through a 'globalocal' process.

- *Public image.* Consumers are focusing on fundamental human values and are becoming increasingly aware not only of 'what' is produced (that is, quality and price), but also of 'how' it is produced (social, ethical, environmental, health and safety factors). As a result, companies (which are increasingly under pressure due to economic and social competitiveness) are called upon to sustain human values and take up 'responsible' attitudes, running their businesses with honesty and virtue, while paying attention to the public's expectations. Conveying a positive image to key stakeholders (customers, employees, suppliers, investors and shareholders) and achieving a good reputation over time is of paramount importance to Acroplastica, as it operates within a g-local environment.
- *Relationship with employees.* In Italy, the protection of workers' rights, particularly regarding minors, enjoys a strong focus. Through the adoption of SA 8000, Acroplastica meant to establish good relationships with its own employees and redesign its internal organisational process, the purpose being to rely on a business model truly built upon the observance of SA8000 standards.

The application of the SA 8000, jointly with Decree 626/94 (implementing the European framework directive on safety and health at work), and workplace health promotion (WHP), constitutes a self-monitoring process for the enterprise's activities.

Implementation

Acroplastica operates in a particular territorial context — the province of Caserta in the Campania region — where both real as well as exaggerated problems exist. These include juvenile labour exploitation, improper staffing with workers being remunerated based on highly questionable criteria, 'sweatshops', tax dodging/avoidance, and a high rate of organised crime. By meeting social responsibility criteria and adopting an ethical approach to business management, the company has attempted to extend the quality process not only to production in the strict sense, but also to work and related life styles. In this respect, today the company is clearly regarded — within both the province of Caserta and the relevant social structure development project — as a guiding light by religious and sports organisations as well as universities. It has also, for a long time, actively provided financial support to several charitable institutions, as well as encouraging the organisation of cultural events with a view to enhancing the local environment.

In detail, the company:

- provides yearly contributions to:
 - Unicef (Christmas presents previously given to employees, suppliers and customers have been converted into funds donated to Unicef. The company undertakes to distribute a certificate of appreciation, while Unicef itself sends out a thank-you letter. The company has also donated aid to feed six malnourished children for four weeks and four children have been adopted on a remote basis),
 - AIDO (organ donor association),
 - Associazione Lega Filo d'oro (association helping the deaf and blind),
 - Associazione bambino empatico (homeopathic children association);
- organises cultural events:
 - Reggio di Caserta (Bruno Donzelli's exhibition held on 19 February 2000 on the

occasion of an anthological exhibition staged in conjunction with 'FS TrentItalia' and other organisations);

- presents local mementos during company visits:
 - the owner, Mrs Mastrangelo, specifically chooses typically local products to promote the image of the area and spread its culture to the outside world (for example, silk goods produced at San Leucio silk factories in the province of Caserta);
- has been funding the 'Il Caffè' project over the past four years, within the framework of a multimedia awareness campaign.

In the intranet forum, employees can debate several aspects of the collective labour agreement.

Relationship with existing policies and management systems

Acroplastica implements continuous monitoring of environmental performance in order to ensure that the quality standards belong to the 'triple P' — people, planet and profit.

Mission

The plant manager is responsible for the implementation of action related to health and safety. With a separate budget for WHP (workplace health promotion), the company invests strongly in the health of its employees. Related to its involvement in CSR, Acroplastica obtained SA 8000 certification in 1999.

The added value of CSR, also in relation to OSH

Results of the Acroplastica programme:

- absenteeism reduced;
- productivity raised by 6.7 % (year 2000);
- decrease in the level of conflict;
- increased satisfaction for employees and their families;
- energy saving of 9.3 % ;

- reduced environmental impact;
- positive image of the firm in the community and nationally thanks to publicity for the results;
- zero accidents at work since 1997.

Transparency and reporting

The written guidelines on workplace health promotion (WHP) intend to offer all employees safety and protection at the workplace to promote a healthy lifestyle and prevent potential environmental hazards. They were developed jointly by the management, the human resources department, staff representatives, the safety department and the occupational medical service. The guidelines are disseminated via intranet to all employees.

Processes of organisational and societal learning

Employees are given environmental training that covers OSH and CSR principles. E-learning is given to employees on OSH and CSR principles.

Notable findings

A virtuous circle has been created, involving all components of society.

4.2. Angelantoni, cold technology products (Italy)



Introduction to the company and its activities

Angelantoni S.p.A. is a company in the field of 'cold technology applied to environmental testing, biomedical research and industrial

processes'. Founded in 1932, it is located in Perugia, Italy (headquarters of a holding, and main factory).

Its main products and markets are: manufacture of simulated environmental test chambers and climatic plants, refrigerating equipment for bio-medical applications and scientific research. Cooling plants for the following industrial processes: cutting, punching, plying, welding, mechanical assembly, electrical assembly, refrigeration equipment assembly and testing.

Some 183 employees work at the factories and offices on the main site and a further 250 are employed at 12 sister companies partially or totally controlled by the family. Staff turnover is 0.5–1 % per year.

The overall structure of the group is simple, with small companies in Italy and abroad headed by Angelantoni Industries. Its main operating divisions are ACS Environmental testing, AS Biomedical equipment, AG Refrigeration engineering climatic division and Biomedical activities.

Mission

To be leader in global markets for environmental test chambers, laboratory and biomedical equipment, cold technology applied to industry and to research, shelters, civil and military telecommunications. To manufacture innovative and high quality systems going beyond customers' expectations as far as performance, technical features, design and value are concerned.

The Angelantoni group's e-business project is setting up an 'enterprise information portal', allowing it to use Internet technology to communicate and exchange information in real time with people inside the company as well as outside of it, including development of e-commerce.

External and internal stakeholders

These include pharmaceutical and biotechnology companies, research centres and the medical world; and collaborators, clients, suppliers, joined companies, shareholders and society at large.

Corporate vision on CSR

The company has set up a 'system of prevention and safety at work' (in Italian, SGPS), in order to reach and methodically check the expected safety standards. This system is founded on a dynamic and cyclic process called: 'plan, do, check- Deming cycle'. It also provides many actions intended to:

- monitor efficiency of system performance;
- produce efficiency within management;
- improve abilities to manage organisational and regulatory changes;
- involve all employees and their representatives in the business management system.

The company obtained ISO 9001 certification in 1995 and also adopted the EFQM model for excellence, to enable the organisation to measure total quality at any time, by way of self-assessment. Within this context, the group continued to work on basic concepts, such as aiming for results, attention to clients' needs, leadership and consistency in its objectives, involvement, advancement and training of staff, partnership with suppliers, public responsibility and labour protection. With regard to this last aspect, collective labour contracts are always followed closely, even those with suppliers. Recently, Angelantoni's management has signed the 'corporate document', in which bullying is explicitly condemned. On the strength of these efforts, the company also obtained the maximum certification possible from NATO, known as 'AQAP 110'. The group has adopted the concept of 'sustainable development', where producing quality means not only making products and providing services which comply with the

client's express or implicit requirements, but also taking into account the impact that these activities have on the environment and on the safety of the people involved in the process. In 2001, the group achieved the certification that all the team strongly aspired to, namely, ISO 14001. Furthermore, the SGPS complies with the expectations of OHSAS 18001/1999 and aims to improve standards of prevention and safety, with systematic checks to make sure that all activities are carried out safely. Lastly, Angelantoni Industry can guarantee the principles prescribed by the SA 8000 standard and, in particular, those referring to the seven fundamental points: child labour; health and safety; freedom of association and union representation; sexual and racial discrimination; disciplinary action; working time.

Implementation — workers' participation

At Angelantoni, employees are surveyed every six months on their job requirements and needs. The knowledge gained from these surveys, as well as the data on time lost due to illness and industrial accidents, serve together with results of job analyses and an internal audit, as a basis for planning health-related activities. The management regularly and systematically reviews how the various projects on health promotion can be improved. Staff involvement also includes health groups and the participation of staff representatives in steering committees throughout the organisation.

All the activities implemented are also evaluated; the human resources department, for instance, carries out periodical surveys of staff satisfaction and working atmosphere, in order to create better working conditions and changes in leadership style, that have a positive impact on the company's image.

One of the aims of the company is to redefine internal procedures, making the workflow au-

tomatic in order to coordinate production, logistic and client requirements.

The added value of CSR, also in relation to OSH

CSR mainly adds value as regards a progressive reduction in accidents at work, improvement in work atmosphere, control of safety and health costs, and reduction of hazards.

Transparency and reporting

Angelantoni's guidelines on the health of its employees have been formulated jointly by management, the human resources department, staff representatives, the occupational safety service, occupational doctors and external consultants. Management provides a separate budget for all health promotion measures and for many different CSR initiatives that extend the quality process not only to production in the strict sense, but also to work and related lifestyles. In detail, the company periodically welcomes young people as part of a fellowship programme. It makes annual contributions to the Italian association for the fight against breast cancer, through the sale of sowbreads on 8 March (international women's day); and it sponsors educational and cultural events, locally and internationally.

Processes of organisational and societal learning

A 'staff development scheme', including training courses, aims to help employees refine their health-related skills. Employees are regularly informed about new concepts and strategies on workplace health promotion at staff meetings and in discussions with the executive team. Furthermore, written documentation on health-promotion activities, and the open door policy of those responsible for these measures, make the process readily understood by the workforce.

4.3. Anne Linnonmaa, knitwear company (Finland)



Introduction to the company and its activities

Anne Linnonmaa, the founder and owner of the company, graduated from the Department of Textile Art and Fashion Design in the University of Art and Design in Helsinki in 1977. She has worked as a designer in various companies in Finland and abroad, but in 1991 she founded her own company to market her knitwear collection. At first, the production was conducted on a subcontracting base, but on 12 January 1999 Anne Linnonmaa Oy bought the subcontractor in Mikkeli, with 14 'older' workers, and all production was transferred to Anne Linnonmaa Oy. Today, the company has 35 employees. All products are made in Finland, and their Finnish origin is confirmed with the 'key flag' symbol, granted by the Association for Finnish Work. In 2002, the company's turnover was EUR 2.3 million. Exports account for approximately 20 % of sales, Germany being the main export market. By 2003, the number of personnel had doubled and, within the first three years, the annual turnover has tripled.

Corporate vision on CSR

Anne Linnonmaa is a front-runner in the production of environmental fashion. In the company, both environmental and economical thinking are firmly linked together. Anne Linnonmaa, the founder and owner of the company, emphasises the integrated vision in her company. A healthy and well-designed production

process benefits all parties involved: the employer, the personnel, the consumer, as well as the environment and the community.

Business principles and policies: environmental collection for a better environment and a better world

Anne Linnonmaa aims to produce knitwear that makes people feel good as they buy a high-quality designer garment that is produced under people and environment-friendly conditions. The whole chain of production reflects environmental responsibility, starting with the handpicking of organically cultivated cotton in Peru, and ending when the customer is using the products in an environmental way. The main target group is an intelligent consumer, with no limitations regarding age, size or gender.

Pure Peruvian handpicked cotton as a raw material

The cotton, used as a raw material of the yarn, is grown ecologically by about 200 families and is handpicked in the fields of Peru. The raw material has been issued with the very strict KRAV certificate as well as the Nordic Ecolabel (No 339-007), the Swan Label. The cotton is then cultivated without defoliants, which cannot be avoided in machine harvesting. Only reactive dyes approved in the Öko-Tex 100 Standard are used. They do not contain hazardous elements, such as azo compounds, formaldehydes or optical brighteners.

The products are not bleached before dyeing, and chlorine is forbidden even in making optical white. Components that cause pilling are removed with Biotouch® enzymes from the cotton knit in the finishing process. The enzymes leave the product during the process and decompose biologically. The whole production process, from the beginning to the end, is continually controlled and monitored to ensure high quality and good working conditions.

External and internal stakeholders

Anne Linnonmaa Oy has created a cooperation network with component supplier companies, for example, which produce the environmental dyes. Furthermore, the company works closely together with research institutions, especially concerning fair and environmental cotton production. An important stakeholder is the municipality of Mikkeli and the company has brought the community many direct and indirect benefits by providing new job opportunities for women in a region with high unemployment figures. The company is the second biggest employer in the region.

Implementation of CSR

- economic responsibility, investment in research and technology;
- independent product testing, investment in developing environmental and safety products;
- good business practices and cooperation in a company network;
- social responsibility and supporting activities for public good in the community;
- personnel well-being and competence;
- occupational health and safety, accident prevention and product safety;
- investment in training and new knowledge;
- consumer protection;
- environmental protection and sustainable use of natural resources and raw materials;
- recycling, pure hand-picked cotton, non-hazardous dyes;
- cultural heritage in Finland and Peru, cooperative projects with residents;
- gender equality and diversity at work;
- satisfaction of clients, consumers and business associates.

Anne Linnonmaa emphasises the integrated vision in her company, that a healthy and well-designed production process benefits all parties involved: the employer, the personnel, the con-

sumer, as well as the environment and the community.

Transparency and reporting

Important information about the company, including annual turnover, is presented on the website (www.annelinnonmaa.fi) and the company's headquarters, located in Helsinki, is open for visitors and students from schools and other educational institutes.

The added value of CSR, and in relation to OSH

The municipal healthcare centre provides OSH services and together with an occupational health nurse, an active work ability programme has been implemented. The working atmosphere is regularly monitored by questionnaire survey and a suggestion box has always been in use. The results show that the personnel at the factory are satisfied with their working conditions and they work together closely. Commitment to work is high, which is reflected in low personnel turnover. Recreation opportunities for all personnel are organised on a regular basis. All these activities help to create a good working atmosphere and a strong identification with the company.

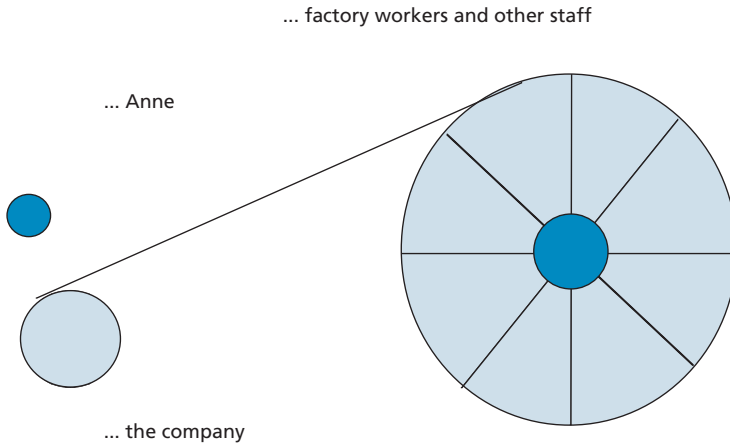
The structure of work organisation

The factory is run day-to-day by a female supervisor who lives in the community. The majority of the factory workers are women, who make use of the flexible working hours. They have decided their working hours to be from 6 a.m. to 2.30 p.m., so that they can combine work and family more easily. The company encourages diversity by employing immigrants. Because the work tasks and the processes are so specific, most of the training is done on the job.

The work organisation is flat without strict hierarchy and communication channels are open

and direct. Regular meetings are arranged between the factory personnel and the management and the director visits the factory about once a week, despite the distance of 232 km between Helsinki and Mikkeli. Anne Linnonmaa maintains close contact with the factory super-

visor via e-mail in order to keep in touch with the everyday activities of the factory. She describes the organisation as being like a wheel, her own position in the centre, while the personnel constitute the spokes.



Summary

Companies in Finland are paying increasing attention to social and ethical responsibility. Alongside economic values, interest has grown in the environment and people’s well-being, as demonstrated by the strong interest shown in publications of the Confederation of Finnish Industry and Employers (www.tt.fi/english/publications). A contest on corporate environment and social responsibility ran until August 2003 (www.ltt-tutkimus.fi). CSR reports have been published mostly by larger companies so far, as it is considerably harder for small and medium-sized enterprises to draft their CSR policy and publish their CSR report. However, many small companies are environment-conscious and are willing to invest in their workers’ well-being and competencies. Indeed, many see their whole

company as an integrated unit. Small companies’ own resources may not be sufficient, however, to evaluate and develop its corporate responsibility. External support may be needed, such as a consultant or an advisor, as was the case with Anne Linnonmaa.

4.4. Api Refinery (Italy)



Api Refinery is located in Falconara Marittima, close to Ancona and is strategically situated in the middle of the Adriatic coast to cover a large area of eastern Italy. The refinery represents nearly 5 % of national refining capacity and in

addition produces 2 GWh/y of electric power thanks to a new power plant based on gasification and combined cycle technology. The refinery (formerly a coastal port) has been operating since 1950, and has over 450 employees (plus nearly 1 500 people working in direct connection with its operations). The refinery is part of one of the top 20 private industrial groups in Italy, with a yearly turnover of EUR 4 billion.

Mission

The mission of the Api refinery is to produce best quality products, in order to satisfy the customer, assure significant return on investments for the shareholders, and to protect the environment, while ensuring a safe working environment for the employees.

Awareness of the importance of being an integral part of the surrounding territory has fostered high attention to safety and environmental protection that currently plays an important part in the way business is conducted.

External and internal stakeholders

Nowadays, the company operates in a wholly transparent environment that brings with it an increasing number of stakeholders to deal with, especially as far as environmental protection and safety are concerned.

Main external stakeholders are local authorities, regulatory and control agencies environmentalists and associations and pressure groups.

Internal stakeholders are all the employees, the employee safety representatives and trade unions.

'Prevention and protection' policy and implementation are the important areas of activity: 'integrated safety, environmental, quality management systems' is a key-factor to manage all the activities.

Corporate vision on CSR

Central to Api's policy is a responsible approach to the management and development of its activities. Any aspect of its operations that might have relevance to the environment and the safety of human beings or properties receive appropriate, high-level consideration. The company mission explicitly envisages the relevance of these topics and an ethical code of conduct has been drafted recently; many efforts and investments have already been undertaken to assure an adequate level of response, along with employees' active participation in order to prevent risks.

The permanent high standing of these values inside the management of the company is well shown by the increasing level of investment in health, environment and safety, even during a period of difficult market conditions, such as in recent years.

A clear demonstration of the company's commitment to continuous improvement is the implementation of an 'integrated safety and environmental quality system'; thanks to which Api refinery recently obtained ISO 14001 and OSHAS 18001 certificates (the first refinery in Italy and one of the first in Europe to get both certificates simultaneously).

Implementation

Long-term programmes are essentially based on implementing and maintaining good relations with the community. Recently, the refinery and the local authorities signed an agreement to establish specific goals in terms of environment protection, safety and social acceptability of industrial activities. The essential element for a general acceptance of these values lies in training and tuition. The health, safety and environmental training programme — settled for all employees and services contractors — was awarded a national prize (CIDA) in 2001 as one

of the best technical training activities undertaken by Italian industry. A key result of continuous training is that all employees now share a clear code of conduct and a practical way to behave in day-to-day work.

In the short term, a close target is EMAS registration for the whole site (expected this year) that includes, by definition, OSH aspects.

Relationship with existing policies and management systems

Essentially, OSH, quality and environmental protection have been the starting elements of Api policy with respect to a CSR approach. These elements are still the main parts of it due to the high level of social interest and pressure about health and environment in connection with the industrial activities.

By means of continuous efforts (both economic and technical) in these fields the refinery, thanks to dedicated reporting tools, has seen a dramatic improvement in all relevant environmental indicators.

Nowadays, thanks to its latest certification (ISO 14001 and OSHAS 18001) the operations are well controlled and audited with the aim of achieving continuous improvement.

Transparency and reporting

Until 2002, Api issued a very detailed health, safety and environmental report on a yearly basis. From 2003 on — according to the EMAS standard — the report will be basically focused on the environmental aspects.

Internally, a monthly newsletter is issued to keep personnel updated on refinery events, management systems development (including safety and environmental protection) and business trends.

Also, information is given on social/cultural activities (sponsorship programmes, cultural supports and the like). Furthermore, a yearly programme of 'safety talks' is issued and implemented to keep shift personnel informed and actively participating to safety/health/environmental protection activities. This programme is complementary to a yearly programme of 'safety visits' and audits, held by all management layers including refinery top management, to control activities and show real commitment to safe practices.

Notable findings

Since the beginning of this ongoing process, a series of interesting changes have taken place. Primarily a notable decrease in what might be defined, in general terms, as environmental impact since all figures concerning potential impacts on the environment are constantly decreasing to the point that the four main air pollutants (SO₂, NO_x, dust and CO) are well below (sometimes less than half) the legal limits and better than Italian refinery average. Another important aspect to be mentioned concerns the increase of social intervention from the company that now supports actively, more than in the past years, the cultural and social activities that are developed in the community.

Last but not the least, there has been an increase, both in quantity and in terms of interest, in internal communication, in order to keep the entire organisation aware of the issues and topics that are relevant to the social agenda.

4.5. Happy Computers, computer training (UK)



'Happy Computers' provides training in most PC-based software applications, including word processing, spreadsheets, databases, desktop publishing and operating systems. Courses are generally one or two days' duration, and provide full documentation and ongoing technical support for up to two years.

The company has developed an innovative approach to computer training. Rather than focus on the transfer of technical knowledge from trainer to trainee, training is designed to ensure that delegates are stimulated and involved. Training is grounded on the following trainee-centred principles: 'if you tell me, I forget; if you show me, I remember; and, if you involve me, I understand'. In the context of a lesson, this means continually asking questions of delegates. The use of games and quizzes also encourages active participation. Ultimately, the experience of learning is intended to be fun, memorable and rewarding.

The company was established in 1990. At this formative stage, the company founder was the sole employee and operations were conducted from a room in a household residence. Throughout the 1990s the company expanded. Major company milestones include: the opening of a second training facility in 1995; winning IT training company of the year award (Institute of IT Training), 2001; and, winning excellence award for the business to business sector (Management Today/Unisys Service Excellence), 2002. In 2003, the company was the overall winner of the Management Today/Unisys service excellence awards — rating it as the best company in the UK for customer service.

Based in London, Happy Computers currently employs 40 people. The company's turnover for 2002 was in excess of EUR 2.1 million. Happy Computers has been rated as one of the top three IT training companies in the UK for the past three years.

External and internal stakeholders

The internal stakeholders are the company employees (40), freelance trainers (12) and company investors (19). The main external stakeholders are the client companies and their employees, and suppliers.

Some 70 % of the company's trainees are from charities or housing associations — charities receive subsidies of around 40 % on course fees. Although Happy Computers does work with corporate companies, there is a clear ethical trading policy excluding companies that are known to trade in tobacco or armaments, or other industries that are deemed to be unethical.

The company aims to maintain good relations with all stakeholders. The levels of staff turnover for this company are well below the national average within its sector and indicative of the good relations between the company and its internal stakeholders/employees. All stakeholders, both internal and external, are consulted on a range of issues including the company mission, target setting, employment arrangements, equal opportunities and company operations. The company has a statement of principles, intended as a transparent guide to relations and interaction with all stakeholder groups. Stakeholder consultations have identified that relations with the company and its stakeholders are good.

Corporate vision on CSR

The company's mission statement: 'Our business is that of empowering people to reach their full potential in their work. Happy Computers' mission is to provide the highest quality training in the UK, creating standards that others follow. To this end we will actively develop new training approaches, and other ways to help people learn, to enable all students to

overcome easily any obstacles and be able to learn quickly and enjoyably’.

In addition to this mission statement, which has clear points of overlap with CSR priorities (for example, ‘people and profit’), Happy Computers has a statement of principles. In summary, the statement provides guidance for five key operational issues, namely:

1. empowering people — to train employees and enable personal growth;
2. excellent services — to improve upon levels of service;
3. customer satisfaction — to gain feedback and focus on customer needs and interests;
4. innovation — to try out new ways of doing things;
5. stakeholder enjoyment — to encourage people to relax and have fun.

The chief executive considers that the company’s vision on CSR has a number of positive business and social implications, in particular: ‘we believe those companies that will succeed in the next decades will be those, whether large or small, who serve the interests of all those they work with’.

Implementation of CSR

The overarching strategy for improving employment conditions stems from the company’s ‘life balance’ policy. Happy Computers aims to create a workplace where its people can achieve a good balance between work and the rest of their lives. To this end, the policy aims to ensure that employees have some degree of flexibility when selecting the days or hours that they work. For example, employees with children may prefer to work longer hours during school term time, allowing more time off during school holidays — flexible working is available to all and not just parents. Over 50 % of staff work patterns of flexible or reduced hours and in addition have the opportunity to work from home.

The company employs a number of people management policies aimed to create an environment ‘where people feel good about themselves and can perform at their best’. For example, there is a policy of ‘job ownership’ where employees are encouraged to become self-managing. With the assistance of a colleague/mentor they are expected to identify a set of achievement targets and to self-monitor their progress. The company also has a progressive attitude toward job rotation. Throughout the company there is the opportunity for employees to change their work tasks to offer them new stimulus and provide motivation. A good example of the company’s effort to reduce levels of employee dissatisfaction is portrayed through their approach to the distribution of administration jobs. Rather than allow senior staff to control the sought-after tasks, jobs are distributed on the basis of what people would most like to do. In the case of tasks that no one selects, they are shared out on a rota basis. The delegation of tasks is reviewed regularly to ensure that staff remain motivated and stimulated.

The effective management of risks associated with work-related stress is currently a major challenge facing employers, employees, the State and society as a whole. Although not formally designed to reduce stress, the ‘life balance’ and job rotation policy measures implemented by the company constitute a good practice approach for reducing occupational stress. Through their range of policies aimed to facilitate a happy work environment, a potential outcome will be the effective control of risks associated with work-induced stress. Furthermore, the provision of free ice cream at 4 pm, for delegates and staff, is likely to improve morale!

Although a small company with limited resources, Happy Computers actively pursue a policy aimed at promoting social, community

and environmental welfare. The following company actions reach beyond the range of typical responsible business practices:

- charities receive subsidies of around 40 % on training courses;
- the company will endow one acre of rain forest for every 100 courses booked;
- annually each staff member is allocated EUR 70 to be given to a charity of their choice;
- each staff member can apply to the company's time-bank — that is, a stock of fully paid work hours earmarked for employees to work with the voluntary and charity sectors.

Happy Computers was listed in the Giving List, published in *The Guardian* newspaper (2001), as the third most generous UK company — contributing the equivalent of 26 % of profit.

Relationship with existing policies and management systems

The various CSR strategies within the company have been linked to externally organised audits and evaluations of social responsibility. This has proven to be a cheap and effective way of monitoring company progress toward CSR goals, and enables comparisons with competitors and other businesses. In this respect, Happy Computers have been using external award schemes and their evaluative procedures as a form of management system.

The company also employs an internal 'happy check' three to four times a year. Namely, employees are asked to complete a questionnaire designed to provide employers with a means of measuring levels of job satisfaction amongst their workforce and to assist them to identify suitable intervention strategies (such as with respect to perceived levels of morale, stress and job satisfaction). A supportive work atmosphere and proactive approaches to feedback also ensure that good channels of communication are maintained throughout the company.

The added value of CSR, its relation to occupational safety and health

There is a company-wide belief that businesses that are committed to their staff, their clients and their community do better in the long term than companies that focus on short-term profit. Happy Computers believe that there are a number of tangible benefits, both for the company and society, that arise from their CSR policies.

Company benefits are as follows.

- Given that Happy Computers operates in a relatively low risk sector (service sector), occupational safety and health issues are not treated as a priority CSR topic. However, the 'life balance' and job rotation policies adopted by the company have many parallels with good practice measures that are advocated by occupational safety and health experts for reducing occupational stress. Flexible working arrangements, team building and good communication channels (that is, proactive approaches to stress management) have been shown to reduce levels of work related stress.
- Happy Computer's annual staff turnover averages 8 %, less than half of the industry average. It is believed that the low levels of staff turnover relate to this being a good place to work and the high motivation that stems, in part, from the social responsibility projects. Avoiding the high costs of recruitment saves the company in excess of EUR 30 000 a year.
- Happy Computers receives good publicity and have a good corporate image as a result of their CSR work. There are some concrete examples that new work partnerships have arisen as an outcome of their publicised social responsibility policies.
- As an overall assessment of the company's progress, whilst the IT training market has declined by an estimated 25 % in the last two

years, Happy Computers has continued to grow.

Society benefits:

- It is reported that there are high levels of staff satisfaction — some evidence of this was provided by a recent Sunday Times newspaper competition: the ‘best company to work for’ survey. Although not eligible for the official survey (due to size), Happy Computers obtained the survey and carried it out with its staff. Against a seven-point rating for the statement, ‘I love working for this company’, Happy Computers scored 85.2 %, the second highest rating in the survey.
- The employees of client companies gain from high quality training provided in an atmosphere that is innovative and beneficial to learning.
- The company has been paying a carbon tax for 12 years, in the form of the endowment of one acre of rainforest for every 100 courses run.
- The company has run a range of initiatives aimed at supporting charities through donations or the commitment of Happy Computer staff to projects (with every member of staff able to work, fully paid, one day a month for a charity of their choice).

Transparency and reporting

The company applies a policy of openness and honesty with regard to company information. There is full disclosure of information within the company of financial and social audits or assessments.

The results of external evaluations and awards, including details of both strengths and weaknesses, are publicised through their website (www.happy.co.uk).

Processes of organisational and societal learning

The company management team actively seeks information on best practice in CSR. Their strategies are well informed and intended to bring about optimum outcomes for its stakeholders. Their range of implementation strategies provides clear evidence of their commitment and belief in the positive advantages of CSR for all stakeholders.

Employees are encouraged to contribute to the CSR strategy through providing recommendations, and directly by working on projects that might be beneficial for the wider society.

The key company reporting systems are meetings and feedback sessions — this includes upward, as well as downward, appraisals. Happy Computers seeks ways to get the best from their employees, but also to provide a good and enjoyable work atmosphere.

Notable findings

The company’s commitment to social equity is clearly demonstrated through their work that supports charities. Perhaps the most interesting project of this nature was the provision of computer training for a local community training centre in Uganda. Two Happy Computer employees provided training to improve local training capabilities and skills in a community organisation (run by the charity Padeap) working with many disadvantaged and marginalised people. A post-intervention evaluation identified that local charities and residents had benefited and many local refugees were able to find jobs as a result of their new skills. Happy Computers believes that, as well as the benefits for the Uganda training centre, its own employees personally developed through these experiences. The relative costs and benefits of the venture was comparable to available worker motivation and

team-building courses, but with arguably greater social impact.

This work proved so successful that this year it is being expanded and trainers will visit Uganda, Nigeria and Cambodia.

4.6. Moonen painting and construction maintenance (Netherlands)



Introduction

The painting and construction maintenance firm Moonen BV started as a family enterprise in 1928. Currently 150 people work for Moonen, of whom 20 are staff employees. Some 3 % of the employees are women. For a long period, the core activity of Moonen was painting, however, over the last decades, Moonen has been increasingly specialising in all-round indoor and outdoor renovation. Most employees are professional painters or general construction professionals. Clients are housing corporations, constructors, private clients, project builders, local governments and other institutions. Moonen has certified management systems for quality and safety, and they go beyond compliance with government regulations or market needs.

Mission

As a company that specialises not only in painting, but also in a total package of building maintenance, quality is their priority. Not only the quality delivered to the customers, but also

the quality for their own employees is a priority. Trust and being trusted is their mission, towards (ex-) employees, suppliers and customers. Employees are placed at the centre of the organisation in many respects, and are fully respected as human beings. Moonen also implements a policy of employing handicapped people or people with health problems, for which they have received the annual employers prize 'Kroon op het werk 2002' (Crown for good work, see Section 4.2.1). The human values that underlie these activities are shared in the management team and among all employees.

Moonen wants to offer employees not a job, but a career. They want long-term relationships with their employees, to invest in their development, and also feel responsible in cases where the employees are — for whatever reason — no longer fully able to fulfil their function. In such a situation the company offers them a useful but adapted job that matches their skills. These people are also regarded as a source of valuable experience and skills. Social ethical considerations are part of their motivation, since they see it as their duty to find a solution together with the employees. Moonen's attitude is that a decrease in health status could happen to any of us and are convinced that it is to their advantage not to throw away experience, knowledge and know-how.

An example of Moonen's approach is their employment of women in the traditionally male job of painter. When a female painter has become pregnant and therefore unable to climb a ladder anymore, she has been given a different equivalent job on a temporary basis. This reflects not only the flexibility of Moonen regarding job tasks, but also that it is one of the few firms where women feel comfortable working as a painter.

External and internal stakeholders

As well as their own employees, potential painters outside the company are also important stakeholders. Having a good reputation is effective in attracting young qualified painters from the labour market. By showing that you work with good material, that you care for their health, that you are innovative — for example, working with water-based paints — they show that the painting business can still be a good business. Moonen is a member of the employers' organisation WVB. The WVB gives great importance to the reputation of the painting branch and sees Moonen as one of the best examples in the sector.

Moonen's change to safer, water-based, paints and materials was a move that required consideration of some major stakeholders. It was difficult at first to explain the change to paint suppliers, especially since there was no legal requirement to do so at the time. Customers are, of course, a very important group of stakeholders and it had to be explained to them why Moonen uses different materials. Now they understand that they receive quality — for example, when they see that doors can be painted twice in one day.

Occupational safety and health policy as a part of CSR

Going beyond compliance with occupational safety and health regulations has been a natural step. It is a part of the workers' character to prevent accidents and other unwanted events. Of course, money needs to be earned, but continuity and workers' well-being is the bottom line. If someone gets sick, the employer is hurt twice over, financially and emotionally.

The attention to the human side of business has grown through the idea of 'how can we improve' our activities. Sometimes economic considerations have been the basis of improve-

ments and, at other times, it was the creative challenge to improve the environment and/or the people. In the past, for example, all employees made use of one waste container. Just by observation, and by asking himself if there wasn't a better way of doing this, one of the managers created devices for separating different types of waste. This finally led to an environmental award in 1986. The direct cause for these kinds of innovations is nothing more than moral awareness and an urge to create new and better material. Now the company distinguishes itself from other companies through its innovation in a branch that is suffering as a whole from a poor reputation.

Implementation

Good communication is the start. Every employee gets intensive, personal, assistance from their manager and, when necessary, the CEO. Problems, in personal contexts too, can be freely discussed so that managers and employees can look for solutions together. In the case of, for example, new legislation open and clear information is given. The company is also open to criticism and sees it as an opportunity for improvement. All changes are evaluated critically with the employees.

Management is responsible for Moonen's goal to keep sick leave and dependence on the social security services as low as possible. Managers are especially trained in this issue so they should be aware of all aspects regarding social policies. Moonen also invests in an external advisor for social expertise, for example, to assist in legal matters and other practical issues.

Moonen collaborates with job centres for the exceptional case where one of its employees becomes disabled and cannot be offered an equivalent job in the company itself. Additionally, the quality of work itself is ensured by preventing routine activities, supplying good materials and good working conditions.

People with disabilities are welcomed as part of the recruitment and selection policy and currently the company employs three deaf persons. An interpreter supports them, for example during staff meetings. By employing such people, the company also takes care of people with a physical handicap outside the company.

Career paths are flexible due to continuing high-level education and training. Personal career coaching makes it possible to change from management functions to staff, to operational functions and back. Training is offered in the area of quality, working conditions, safety and environment, communication and the profession itself. After all 'being the best painter' is essential to serve customers' needs now and in the future.

Practices such as coaching of young employees are well integrated in the daily business of Moonen, and in 1999, the company received the national award for 'company that offers excellent on-the-job training opportunities'.

The fact that Moonen's core activities are not only the painting of houses, but also a total-concept of renovating houses, means that activities are less dependent on seasons and people's competencies. This gives Moonen the opportunity to let people do different tasks temporarily, if necessary.

Of course, sometimes people need to be reminded about the importance of safety and health. Employees may sometimes fail to comply with safety rules and, in this case, the manager will personally address the employee. The permanent workers in the warehouse also have an important role in communicating these issues to the employees who mostly work outside for days. Communication and safety training is provided when necessary and issues are addressed during toolbox meetings.

The added value of CSR, also in relation to occupational safety and health

Benefits directly achieved from the principle of 'priority to the human being' are:

- motivated personnel;
- good working atmosphere;
- young employees are attracted by the positive image;
- turnover of personnel is almost zero;
- employability of disabled people due to extended package of services;
- high level of knowledge and know-how inside the company because they are able to keep good people in the company;
- improved customer satisfaction;
- improved company image in the labour market;
- improved company image relative to competitors.

Apart from these direct benefits, Moonen is convinced that its approach has contributed to the strong growth (in people and turnover) of the company. While it is not possible to establish a definite link to an increase in customers, it is clear that the visibility of the company has greatly increased. Some housing corporations, who have themselves a social mission, have selected Moonen on the basis their social policy, combined with good quality work.

In hard economic times, Moonen consider it especially important to have a good social policy, as it will be your employees who keep your company alive. Although the demands on employees are high at the time, employees will be more motivated if they feel that it is done within a trusted and safe environment, resulting from a good social policy. This is also beneficial financially, especially when the hard economic times are over again.

Transparency and reporting

Until recently, Moonen did not communicate actively outside and prizes for good performance came unexpectedly. In 1986, they have received an environmental award from the local community and more recently they received the national 'crown for good work', an award for their activities in reintegration of employees. That award brought a lot of visibility and Moonen realised that they should make more use of this free publicity. They now work together with a public relations office that facilitates their effective communication.

Process of organisational and societal learning

Education and training is of the highest importance to Moonen, and they have received an award in the past. All employees need to have a basic professional diploma, however, and during their career within the company, employees are offered training both in painting and construction skills and in communication and/or managerial skills. This training system not only ensures flexibility within the company, but also instils loyalty among young workers by giving them broad perspectives and a range of opportunities to grow. In this way, a career is offered rather than just a job, as demonstrated by one of the two current directors who started work with Moonen as a painting trainee.

The company was one of the initiators of a cooperative quality education for painters, together with other painting firms in the region.

Reference:

- www.kroonophetwerk.nl
- www.moonen-schilders.nl

4.7. Otto retailing group (Germany)



Introduction:

Otto is the world's mail-order-business leader (headquarters in Hamburg, Germany). The Otto combined group — comprising the Otto group, the North American Spiegel group and joint ventures — operates in 23 countries. The 90 companies that make up the combined group are active in 23 countries in Europe, the Americas and Asia. Its business rests on four pillars: universal mail order, mail order, wholesaling, and over-the-counter retail, all complemented by e-commerce and after-sales service companies. Otto's employees originate from 60 nations and on average they have been working for the company for nine years. Women make up a clear majority of the workforce at 67.2 %. The number of employees in the Otto group (less Spiegel group and cooperation partners) rose by 5.0 % in the 2003 financial year, from 53 770 to 56 471. The workforce of the Otto combined group rose from 75 962 to 79 137, or by 4.2 %. Otto succeeded in strengthening its leading position as the world's number one in the mail order business, and number two in e-commerce, second only to Amazon. Global online earnings in pure final-consumer business (B2C, i.e. business to consumer) were up 56 % from EUR 1.1 billion to 1.7 billion. The EUR 2 billion mark was passed in the business year 2003.

As a global retailer, Otto distributes consumer goods worldwide, and also imports goods from regions of the world where the environmental and social standards do not receive the same respect as in the western industrial nations. Otto's objective here is to achieve sustainable develop-

ment by linking the import of goods with the export of social standards. This includes for example the elimination of child labour, and agreements on fair wages and reasonable working times. A major component in Otto's social management is the implementation of a qualification and development programme for suppliers, in order to meet these standards. Otto also takes an active role in an international initiative for the development and application of the worldwide minimum social standard, SA 8000.

Otto's experience in the management of environmental and social projects shows that environmental protection, social well being and economic growth are not irreconcilable opposites, but rather they can be goals that complement and reinforce one another. In the autumn/winter season 2002 for the textile and garment sector, the proportion of toxicity-tested garments rose from 69 to 78 %, which is about twice as high as that of competitors. Reorganisation of logistics has enabled Otto to reduce CO₂ emissions by more than 50 % since 1993, and at the same time to cut costs, for example by shifting transport from air to sea. For the business year 2001/02, the sales volume of the retail group was EUR 23.526 million.

External and internal stakeholders

Important stakeholders of the company are: Schwab group, Heine group, Baur Retail, Actebis group, Fegro-Selgros, Spiegel group, Crate & Barrel, Grattan group, 3 Suisses group, Otto Sumisho group. All the stakeholders must agree on the code of conduct, otherwise the trade agreement will be refused.

Unconventional methods are also used to provide further education for employees, such as through the *Seitenwechsel* (changing sides) initiative for executives. Managers are seconded to spend a week in a social project, such as a drug addiction advisory bureau or a home for

mentally or physically handicapped people. The idea is that someone who 'changes sides' has to re-orientate and get to grips with a new situation. Crucial skills such as empathy and communication in difficult situations are required and must be proven. Changing sides sensitises managers to social problems, helps to overcome prejudice, and actively contributes to realising the company's goal of 'social responsibility'.

Corporate vision on CSR

'Our goal must be to anchor environmental protection in the minds and hearts of people in such a way that daily activities towards this goal are a direct result.' Dr Michael Otto explains that 'The maxim "every employee is also an environmental representative" makes clear that, through the promotion of environmental thinking, we also want to contribute internally to changes in behaviour — the comprehensive environmental management approach helps significantly in the institutionalisation of this principle.'

Dr Merck (Director of Environmental and Social Policy) adds: 'Under sustainability, we understand the integration of environmental and social aspects in the economy. Our goal is to effect a long-term improvement in the quality of human life through the improvement of economic processes without straining man and nature beyond their capacities.'

Their trading activities benefit customers and serve to assure the future of the company and its staff. Healthy economic growth and appropriate profits constitute the basis for this.

The code of conduct mentioned above sets out the guiding principles and obligatory standards of all eco-related and socially relevant activities. They are aware of their responsibility for the protection and preservation of essential natural resources. With the aim of securing a continual

improvement in their eco-related performance, they have formulated this eco-policy on the basis of 'good management practices' as an obligatory rule for all levels of management.



Implementation

Otto retailing group's priority is to have satisfied and healthy employees. Therefore they implemented several company-wide services, for example, Aktiv.net, which is a working committee from employees to employees, including social audits and initiatives of greater importance such as developing a certification system valid worldwide for compliance with social standards. They refer to the holistic vision of health, keeping in mind the WHO definition (Ottawa Charter).

• Social management on three levels

Otto is working closely together with its suppliers in the implementation of minimum social standards in the international manufacturing facilities. Based on the code of conduct, Otto conducts workshops with its suppliers and verifies compliance with the social standards in the manufacturing facilities of the suppliers and the sub-suppliers.

• Initiatives of greater importance

Otto is taking part in the development of a certification system valid worldwide for compliance with social standards, Social Accountability 8000 and concise SA 8000. Through this

internationally applicable certification system, supported by non-governmental organisations (NGOs), governmental organisations and trade unions, Otto's internal controls within manufacturing facilities are gradually becoming superfluous. Thus, the suppliers and their sub-suppliers are given the possibility of allowing their compliance with minimum standards to be scrutinised by independent experts.

• Accompanying activities

The implementation of the code of conduct and the development of a certification system valid worldwide are being accompanied by cooperative social efforts with project partners like Gepa (society for trading partnerships with the third world), Rugmark and sustainability projects, to which, among others, the cotton project belongs.

Relationship with existing policies and management systems

Otto is an environmentally conscious company and all their activities are based on their environmental policy, which contains 10 main action principles. At the core of their environmental policy is the undertaking to continuously improve Otto retailing group's environmental performance.

The environmental achievements are divided into different groups:

- textile purchasing (to offer ecology optimised textiles);
- hard goods purchasing (ensuring the compliance with legal regulations, avoidance of environmentally critical materials);
- transport and traffic (optimisation of long routes by using warehouses and depots);
- packaging (such as reduction of packaging materials). Otto retailing group is certified on the criteria of ISO 14001.

As part of a three-year public–private partnership project with the German Ministry of Economic Cooperation and the German Association of Technical Cooperation, a system for auditing and qualifying suppliers is now being established in 15 different countries. The auditing companies are all accredited with Social Accountability International (SAI) in New York. This ensures that working conditions are monitored and evaluated independently, transparently and therefore credibly.

The added value of CSR, also in relation to OSH

Otto retailing group has received, in the last three years, the European environmental award, the OECD award for the reduction of CO₂, and also the corporation ethic award and the environment online award. All employees, their health, safety and learning, are included in the holistic understanding of social responsibility. In this respect, the State Safety and Health Institute of Hamburg recognised Otto's safety and health system.

Transparency and reporting

Otto retailing group has an annual report, where the company's sustained activities are reported. Data and facts on sustainability at Otto have been documented in detailed lists, charts and tables.

CONTENTS — data and facts

GENERAL

- 1.1. Company data
- 1.2. Company goals
- 1.3. Eco-policy
- 1.4. Social codes of conduct
- 1.5. Management system
- 1.6. Responsibilities
- 1.7. Summary

ENVIRONMENT

Functional areas:

- 2.1. Textiles
- 2.2. Hard goods
- 2.3. Transport and traffic
- 2.4. Packaging
- 2.5. Catalogues, advertising media
- 2.6. Main location Hamburg-Bramfeld

Processes of organisational and societal learning

The company offers employees team-oriented and communication-design work structures. More than 1 000 traineeships were offered in 2001, of which 322 alone were at Otto Versand. A new addition to the wide range of 17 different occupations is a block-release training course as an information technology specialist. Some trainees had the opportunity to round off their training by spending time at foreign subsidiaries, particularly Eddie Bauer (Seattle) and Otto International (Hong Kong). Traineeship results at Otto Versand in 2001 were again well above average for Hamburg and the company was recognised for its outstanding efforts in this area by the Chamber of Commerce. Of those who completed their training in Hamburg, 60 % were subsequently employed by the Otto group.

Furthermore, the trainee company, Cultur-e, set up in 1999, won the further training award 2001 and the respected international German training prize.

Notable findings

Otto retailing group is an 'engaged' company, which keeps in mind the 'triple P performance' (people, planet, profit). Even though they try to keep their sales rates as high as possible, they do not forget their commitment to the environment and to their consumers. Nowadays, customers' shopping culture has changed, with in-

terest not only in environmental production requirements, but also in social ones. Therefore a modern company must meet these requirements in order to be competitive. According to the researchers involved, the outstanding innovation is the code of conduct in which they follow the rules of the International Labour Organisation. They support the laws against children's work and they demand at least minimum wages for their employees.

4.8. UPM-Kymmene, paper and other forest products (Finland)



Introduction to the company and its activities

UPM-Kymmene, one of the leading forest products companies in the world, was established in autumn 1995 when Kymmene Corporation and Repola Ltd and its subsidiary United Paper Mills Ltd decided to merge. The new company started operations on 1 May 1996. UPM-Kymmene has a long tradition in the Finnish forest products industry with the group's first mechanical pulp mill, paper mills and sawmills starting operations in the early 1870s. Pulp production began in the 1880s, plywood production in the 1910s and paper converting started in the 1920s.

The present UPM-Kymmene group has production plants in 17 countries, and its products are sold throughout the world. The company's businesses focus on magazine papers, newsprint, fine and speciality papers, converting materials

and wood products. The company manufactures in 17 countries and has an extensive sales network comprising over 170 sales and distribution companies. Sales to the group's most important markets — the EU countries and North America — contribute about 83 % of total turnover. In magazine papers, the company is the clear market leader. Turnover in 2002 was EUR 10.5 billion. The UPM-Kymmene group has 35 500 employees. The company's market capitalisation at the end of 2002 was EUR 8 billion and UPM-Kymmene's shares are quoted on the Helsinki and New York stock exchanges.

Objective — a healthy and safe working environment

The aim of occupational safety is to improve identification and assessment of risks at the workplace and consequently reduce occupational accidents. The main task of employee healthcare in the next few years is to secure the well-being of ageing employees at work. The well-being of employees of all ages, across the board is promoted by improving working conditions and work environments.

External and internal stakeholders

Social responsibility in UPM-Kymmene means — besides reaching agreement on important issues with stakeholders and communities — also maintaining dialogue with the aim of getting on, or remaining on, the right track. Dialogue is particularly important in many social responsibility issues where absolute indicators do not exist.

Corporate vision on CSR

Corporate responsibility in UPM-Kymmene is based on the company's values — openness, trust and initiative — and it is implemented throughout the organisation at all levels and activities. The company's CR policy lists the main components of CSR as follows.

- Employee well-being and motivation are essential. The company provides opportunities for development and encourages a leadership culture that supports its values.
- The company supports the right to freedom of association and collective bargaining, and does not tolerate the use of forced or child labour.
- The company aims at providing a healthy and safe working environment. UPM-Kymmene products are safe throughout their whole life cycle when used correctly.
- The company fulfils all its national and local legal and financial responsibilities and it supports the development of the local community where it has business operations. The company does not tolerate corruption or bribery in its operations. The company or an employee of the company should not be involved in business relationships which may lead to a conflict of interests.

The history of UPM-Kymmene's predecessor companies offers excellent examples of how industry and the surrounding community have coexisted in harmony, each benefiting the other. Nowadays, the circle of stakeholders in this globally listed company is considerably wider, more varied and more international than before.

The social responsibility and human resources policies approved in 2002 and the revised environmental policy and occupational health and safety policy define UPM-Kymmene's position and establish the cornerstones for all operations in the day-to-day work of the company's employees. A responsible approach to business activities in UPM-Kymmene means that the company operates profitably without jeopardising the well-being of people or the environment. Long-term profitability, which necessitates responsible business practices in all activities, is the only realistic way for the company to suc-

ceed. UPM-Kymmene stresses the importance of business ethics in its activities.



Implementation

UPM-Kymmene is committed to continuous improvement of its performance regarding CR by developing the necessary monitoring, controlling and reporting processes and procedures. The company includes three pillars in the scope of sustainable development: economic, social and environmental responsibility. Economic responsibility for the group means being more profitable than its competitors and being able to provide shareholders with growing annual dividends. Social responsibility includes, for instance, care for personnel, occupational health and safety, training, customer relations, land use and cultural heritage and sponsorships. The company has published a human resources policy, the main points of which are the inclusion of employees in decision-making, career planning, profit sharing according to performance and equal opportunities. The human resources policy states the company's policy in case of redundancies. The group assesses the working environment and areas for improvement at regular intervals. The CR report claims that there is still room for improvement in providing equal opportunities to all employees.

UPM-Kymmene has also published a policy statement on occupational health and safety, the overall objective of which is to avoid employees suffering from occupational accidents or work-related disabilities during both employ-

ment and retirement. The company has been involved in developing the national occupational safety card. The card is meant for subcontractors, who work at the company's mills in Finland. The card is being introduced gradually and, after 2005, only sub-contractors who have passed a proficiency test for obtaining the card are entitled to work at the company's mills.

Environmental responsibility at UPM-Kymmene means taking into account environmental factors in production and in relation to products offered by its subcontractors. The main environmental concerns for the company include responsible forest management and wood procurement, recycling, energy production from renewable fuels, paper life-cycle management, efficient and rational use of raw materials in wood products, and converting industry to put minimal strain on the environment. In addition, UPM-Kymmene requires responsible action from its subcontractors be it in the field of raw materials, energy or service suppliers.

Highlights in 2002

Dow Jones sustainability index

The Dow Jones sustainability indexes (DJSI) annual review results selected UPM-Kymmene as an index component for both DJSI World and DJSI STOXX at the beginning of 2003. The selection criteria included economic, environmental and social sustainability of company operations.

Global compact

UPM-Kymmene accepted UN Secretary-General Kofi Annan's challenge to international business to commit to operating in accordance with the global compact initiative.

Provision of support for education in developing countries

UPM-Kymmene subsidises the primary education of children of employees working in the

company's units in developing countries. Employees may apply for an allowance to secure their children's education. UPM-Kymmene challenged organisations represented in the Finnish delegation at the Johannesburg summit to start an equivalent scheme in the countries where they operate.

Reповesi national park and conservation area

The establishment of Finland's 34th national park was made possible when UPM-Kymmene donated 560 hectares of land to the State.

Group receives WWF award

The Board of Trustees of the World Wildlife Fund, Finland, has granted UPM-Kymmene an award in recognition of the company's resolution to protect the Repovesi area. The decision was regarded as unique in Finland.

UPM-Kymmene founding member of Finnish Business & Society

The group was one of 38 Finnish companies involved in founding the Finnish Business & Society association (http://www.businessandsociety.net/index_en.html). Its aim is to promote CSR. The Finnish Business & Society network 'creates a partnership between companies, the public sector, citizens and consumers to contribute to socially and economically sustainable development'.

Relationship with existing policies and management systems

Policies convey company principles

The business is built on clearly defined principles, which are expressed in separate policies. In 2002, the board of directors approved the group's new corporate responsibility and human resources policies and the revised occupational health and safety and environmental poli-

cies. Together, these policies cover the main areas of corporate responsibility.

Each of the policies sums up an aspect of the company. They form the cornerstone of operations and guidelines for everyone at UPM-Kymmene. Separate policies exist for economic issues, for example, a dividend policy.

It is the task of the operative organisation to develop responsible operations, set goals and implement the actual work. In accordance with the group's practices, each person in charge of the requisite functions is also responsible for making sure that the company's principles are complied with.

In January 2002, a corporate responsibility function was established in the head office. It has been given the job of developing environmental, producer and social responsibility issues in the company. The most important tasks in the near future include target setting, internal communications and training as well as further development of scorecards and monitoring systems.

The added value of CSR, also in relation to OSH

In 2002, UPM-Kymmene produced their first CR report that includes social and economic aspects. Previously the company had published seven annual environmental reports. Therefore it is still too early to assess the new 'reports and policies' impacts. Comparative data from previous years is available mainly for environmental aspects, as the development of uniform, globally valid indicators has only just begun. The group has, however, monitored accidents and sick absenteeism due to occupational accidents for some years. The group's CR report states that absenteeism due to occupational accidents has decreased as a consequence of systematic risk identification and assessment and target setting.

UPM-Kymmene reached a shared second position in a Finnish competition on corporate environmental and social responsibility reporting on CR in October 2003. (Detailed information: www.ltt-tutkimus.fi/). The competition focused on the quality of reporting, not the actual CR actions done by a company.

Transparency and reporting

The UPM-Kymmene group publishes a corporate responsibility report following the global reporting initiative's guidelines. The report was published for the first time in 2002. In addition to the printed report, the group publishes its social responsibility, human resources, environmental and occupational health and safety policies on their Internet pages. Various safety reports and certificates can also be found on the company's website.

According to the evaluators of the abovementioned Finnish competition, the group's CR report is concise and accurate. It lists aspects that need to be developed in each of the main corporate responsibility areas: economy, social aspects and the environment. The report includes case studies that highlight the company's activities. Criticisms faced by the company are listed in the report too, which the evaluators count as a positive aspect. According to the evaluators, the defects of the group's report are in that the social and environmental aspects of corporate responsibility are not listed in a clear summary form in the report.

Processes of organisational and societal learning

Regular dialogue essential

Dialogue enables the various stakeholders and the company to obtain information about each other's expectations and goals. Besides the personnel, customers and shareholders, UPM-Kymmene's stakeholders also include subcon-

tractors, authorities, mill communities, the media and various organisations.

Most of UPM-Kymmene's mills have, for a number of years, organised events with local communities. They invite representatives of local stakeholder groups to meetings arranged around various topics. Many of the mills traditionally hold an open-house day when employees and their families and other local residents can visit the mill and hear about its plans and activities. Cooperation with various educational institutions and the media has also been arranged regularly for a long time.

The oldest of UPM-Kymmene's mills in Finland were founded in the 19th century. In many cases the community itself has grown and developed along with the mill. The company often took care of many issues that are currently the responsibility of local and state authorities. Interaction between a town and large mill facility is important in a variety of respects and is described in more detail in the group's CR report using the integrated mills at Steyrermühl in Austria as an example.

The forests and the way they are used have been widely discussed in recent decades. UPM-Kymmene's forest divisions in various countries have participated actively with representatives of their stakeholders in a range of projects to develop the management and recreational use of forests.

Useful links:

- <http://www.upm-kymmene.com/>
Corporate responsibility report 2002, policy statements on social responsibility, occupational safety and health, environment and human resources and additional material available.
- <http://litt-tutkimus.fi>
LTT Research Ltd (LTT) is an applied business studies-oriented research company owned by the Helsinki School of Economics (HSE).

- <http://www.tt.fi/english/>
The Confederation of Finnish Industry and Employers.

4.9. Van de Velde, underwear fashion (Belgium)



Founded in 1919, Van de Velde NV is currently one of the most famous Belgian designers, manufacturers and trading companies in luxury underwear, with brand names such as Marie Jo, Marie Jo l'Aventure and Prima Donna. Van de Velde NV employs 3 000 employees worldwide, including 420 in Belgium. Some 95 % of today's production is delocalised to Hungary, Tunisia and China. Since 1997, 40 % of its shares are quoted on the stock market. The founding families Van de Velde and Laureys hold the remaining 60 % and they still play a very active role in the management of the company.

In 2003, Van de Velde decided to employ an external and independent audit office in order to examine the compliance with social rules and norms and SA 8000 standards in all of their production sites. All production sites are assumed to do so, but two extra arguments motivated them to obtain the voluntary SA 8000 standard:

- trade unions' requests;
- awareness, as expressed by the PDG Herman Van de Velde, that today it is not enough only to declare 'we comply with ...', but stakeholders (clients, partners in production and consumers) also ask for objective proof of it.

Mission

Van de Velde has chosen an open, social and ethical responsible policy. They want to stay a growing, competitive and commercially healthy company, but they also want to create added value for their clients, shareholders and em-

ployees, with a respect for the community they operate in. This is the mission the Van de Velde group have defined in their charter. This mission is based on five values: quality, creativity, respect for the environment and the individual, team spirit (clients, suppliers and personnel) and transparency.

Dialogue and respect for people are key elements. They want to develop 'in a sustainable way', which means that they take into account what the impact of their activities are, not only today, but also in the future: the impact on 'people' (social aspect), on the 'planet' (environment) and on 'profit' (economic aspect). The 2002 annual report starts with the announcement of the continuous growth of the company and excellent annual results and attributes this achievement in the first place to the enthusiasm, motivation and creativity of all the company's collaborators. This policy is implemented using a systematic approach.

External and internal stakeholders

In their policy, the company takes into account the interests of all parties involved in their activities, such as the following.

- Personnel: respect for the individual is fundamental. The company aims to give all employees the possibility of self development and working in optimal conditions.
- Clients: maximum client satisfaction is the target. The company tries to reach this by high-grade design, impeccable quality and good service.
- Suppliers: a partnership is aimed at in order to improve jointly the quality of the creation and the accuracy of deliveries.
- Shareholders: through an optimal use of resources, the aim is to give an attractive return and an increasing share value.
- Environment: besides environmentally sound production and treatment of waste, the goal is better integration in the environment.

OSH policy as part of CSR

Van de Velde invests in offering a healthy, safe and pleasant work environment, with good working conditions, interesting and motivating work and job security for their employees. As set out in the goals, and described in the company's charter, the company's success cannot be explained without the contribution of motivated and competent employees. Thus, investing in their own collaborators is seen not just as a legal compliance issue, but as a logical, positive action, based on the conviction that their success is the result of good personnel, good infrastructure, good products and good relations with clients and suppliers.

Management are open to suggestions and remarks from all parties involved in the company's activities. Van de Velde's managing directors participate actively and stimulate the exchange of ideas between those parties. They do not wish to work in isolation, but try to share their experiences with others. A good example is their participation in the PLATO project of the Chamber of Commerce. The PLATO project stands for initiatives whereby large companies share their experiences and know-how with SMEs.

Implementation

The desire for social and ethically responsible production is put into practice through the project 'Clean Lingerie'.

All production units of the company should comply with the social standard SA 8000. This standard lends a structure to the social and ethical policy of the company, allowing follow up, adjustment and control in an independent way.

Van de Velde undertook the commitment to respect the nine SA 8000 requirements, as elaborated by the International Labour Organisation. The nine requirements have been transposed to

nine concrete objectives for all the Van de Velde units.

1. **No child labour:** for the Van de Velde company this means that workers will not be recruited below the legal minimum age and in no case, will workers be younger than 15 years old. All partners and suppliers are encouraged to comply with and to respect local regulations concerning child labour. The respect of this engagement is guaranteed through control on internal recruitment and the external partners also ask for this control.

2. **No forced labour:** employment is based on motivating and voluntary work.

The basis for employment at Van de Velde is voluntary, respect for the individual and loyalty. Therefore every worker receives a written employment contract and managers will — for the organisation of the work and the distribution of tasks — take into account the skill of every employee. Efforts are made to make the work interesting and pleasant.

3. **A safe and healthy work environment:** the highest possible level of well-being for all the employees is aimed at, thanks to a prevention policy and safety campaigns. Risks are systematically mapped and the necessary preventive actions are taken. All workers (new workers included) know the safety and health instructions. Every worker knows what to do in case of fire and every year a fire evacuation exercise is organised. Workplaces are comfortable and are cleaned regularly. All complaints related to health are taken seriously and are discussed with and treated by the company doctor.

4. **Freedom of organisation and the right to collective negotiations:** a permanent, constructive dialogue between the social part-

ners is encouraged. Suggestions and ideas from the workers are welcomed.

5. **Non-discrimination:** any kind of discrimination, based on race, gender, religion or politics is forbidden. Recruitment, promotion, salary, opportunities, etc., are all evaluated and decided based on competencies, skills and the achievements of the concerned employee. Therefore, criteria on what competencies are required for a specific function are clearly and objectively determined in advance.

6. **No violence — physical, mental or verbal:** in the human resources policy, respect for the individual is fundamental. All workers and the employer have to avoid every act (including words, gestures and physical contact) of violence, moral and sexual harassment and discrimination.

7. **Respect for maximum working hours:** aim for a working schedule that takes the needs of the workers into account. A compromise is sought between requirements imposed by production and the needs of the workers, because this guarantees a good balance between professional and private life. Overtime is exceptional and only done on a voluntary basis and limited to 12 hours a week.

8. **A decent salary:** workers are guaranteed that current salary rates in force will be applied and respected.

9. **Continuous monitoring:** all practical implications of the abovementioned standards and the corresponding objectives are regularly evaluated and adjusted in order to guarantee the respect of all these principles in a continuously changing working environment. A formal and systematic check of all these principles is done once every year.

The added value of CSR, also in relation to OSH

Van de Velde’s CSR policy clearly demonstrates the commitment of the company: they have a commercial activity but they understand that the best way to achieve their commercial targets is by relying on partnerships with all others involved. Quality, respect for the environment and the individual, team spirit between clients, suppliers and employees, ethical entrepreneurship: these are all underlying values determining the company’s policy.

The annual social report outlines the high level of attention paid to workers’ well-being. A prevention policy has been developed in collaboration with the internal and external prevention service, medical tests are carried out, a first aid team has been trained, and special attention is paid to ergonomics and the psycho-social well-being of workers. Other aspects are: evaluation and reward schemes, vocational training, and the possibility of flexible working hours.

This year they have been rewarded for all their efforts with by accession to the Ethibel list, produced by an independent European research institute for sustainable and ethical investments that advises investors on socially responsible choices for their investments.

Transparency and reporting

The emphasis placed on transparency is not just a slogan, but is a serious commitment. Many documents are made available for the public on their website www.mariejo.com — not just annual reports, but also details of their products, markets, production, CSR policy, research and development policy, etc.

Notable findings

When looking at Van de Velde’s policy, as well as their concrete initiatives, what stands out is

their commitment to being a successful company in more than simply commercial terms. It starts with the charter, which is in itself a positive element, because it shows they have invested in a well-considered strategy and by formalising this into a charter, they show their intention to communicate and share their strategy with all concerned.

Van de Velde gives a clear message in its charter that is also a recurrent theme in all communications: the most important success factors are the quality and creativity of their products, satisfied personnel and a good understanding with all external partners. This is how they analyse their success and is what determines their priorities for investments to guarantee that success in the future.

To implement their policy, they have a concrete programme: ‘social and ethical entrepreneurship’ and as a part of this there is the ‘clean lingerie’ project.

They are now audited in order to be recognised as complying with SA 8000 standards and to validate all these initiatives and be able to prove their commitment on the basis of objective criteria.

4.10. Voerman Removers International (Netherlands)



Voerman Removers International is a dynamic, profitable company with many years of experience in the field of personal and office moves, art handling, facility services, furniture and archive storage, together with a package of supplementary activities. Voerman was found-

ed in 1986, in 2003 they took over Abbink removers, and today the company employs a total of 650 employees (some of them overseas), and has a turnover of about EUR 50 million. It operates on a worldwide level, with its base in the Netherlands and its own offices in eastern Europe. In the Netherlands they have seven locations, with the main office in The Hague. Voerman is also a member and co-founder of the major European and global removals organisations (UTS International). Voerman International's motto is 'people relocating people' and it is a fast-growing company.

As a regular supplier of moving services to many well-known and respected corporate accounts and organisations, Voerman International handles a large number of moves throughout the country.

Via the UTS network, every move is organised and handled in the most professional, economic and safe way, offering in addition the packing of small and fragile items, the disassembly and reassembly of furniture and the arrangement of other moving-related matters.

OSH, CSR and servant leadership

Seven years ago Voerman commenced implementation of the 'servant leadership' philosophy. In tackling issues such as prevention of illness and reintegration, they were convinced of the importance of treating employees well and keeping them motivated and happy. Voerman has undertaken several initiatives related to OSH in the past, but what they missed was a general outline, or 'link' between the initiatives. The concept of 'servant leadership' provided them with a framework for relating initiatives to each other and making a connection between them. Servant leadership means 'serving customers, suppliers, colleagues, your company, your family, your surroundings, your society and your environment and, last but not least, your

future'. As such, not only the manager takes responsibility, but also everybody else.

The transport sector is physically very demanding and a relatively high percentage of employees suffer lower back problems or other physical injury, whether it concerns drivers, packers, movers or administrative personnel. It is clear that a highly educated office employee needs a different approach to that of a mover or a packer. Therefore, for Voerman it is very important to measure effectively if the message is well understood by all employees. For this reason they have also joined the pilot project 'investors in people' (originated in the sector organisation TLN (Transport and Logistiek Nederland)).

It should be clear that servant leadership is not only about 'being nice' to each other. Voerman uses this principle in a very hard and competitive transport sector. Servant leadership is about being clear and being professional and it is very practical. According to Herman Wijffels (SER), CEOs that are only interested in shareholder value will never take extra initiatives in OSH. What is needed are inspiring, motivated leaders that are often seen in SMEs. For Voerman, the concept of servant leadership is definitely an aspect of CSR and their ambition is also to disseminate the concept across the Netherlands as well as Europe.

External and internal stakeholders

The decision to invest in 'servant leadership' was taken by management without external pressure (such as from government) except for the customers. To date, it has proven to be a good way for distinguishing the company from its competitors. Customers are enthusiastic, which makes it a commercial success and companies tend to work together with others in which they recognise their own principles.

Voerman claims to work with the 'best employees' which is written clearly on the back of

some removal vans. The intention is to do this for every van, however this also makes the company vulnerable to criticism by creating high expectations.

Corporate vision on CSR

While visiting the United States seven years ago, Mr Voerman himself ran into the inspiring initiative of 'servant leadership'. This initiative exactly suited his need for more 'inspiration' in his work: a leadership model based on teamwork, a sense of common interest and ethical and caring behaviour for the individual. A model that provides an understanding that a leader is most effective when he or she is serving others: employees, customers, the community and, for this purpose, the organisation itself.

The main elements of this model are as follows.

- Style, courage and quality: working in fixed teams, where know-how is coupled with respect and good fellowship, resulting in the best possible service. Large amount of responsibility and involvement felt by all employees provides satisfaction and pleasure in their work.
- Satisfied customers are the mainspring of an ethically responsible process of innovation and quality control, partly achieved through regular training courses.
- A guarantee of good working conditions and safety for all employees during the execution of their duties, thus contributing to continuity of service.
- Environmental care as an important part of their policy based on a minimum of material harmful to the environment, recycling packaging materials whenever possible, energy-saving measures, etc.

The profit, planet, as well as the people aspects of CSR are embedded in the company's philosophy. Although not explicitly stated, the implementation of CSR has been one of the main dri-

vers to implement the model of 'servant leadership'.

A precondition of implementing such principles in a company is that 'things are going well': there needs to be a good atmosphere, good working conditions need to be pursued 100 %, there needs to be a qualitative human resource policy and you have to be successful.

Implementation

The concept of servant leadership is about serving the customer, serving suppliers, serving clients, serving colleagues; also serving your family and your environment and finally yourselves. Servant leadership is a way of expressing CSR.

The challenge is to translate the vision of one similar view that is recognisable for everybody. Sometimes it is very hard. For example, how do you explain that lay-offs are part of the idea of a healthy company? 'Investors in people' (IiP) facilitates making the concept of a healthy and servant organisation more tangible. IiP asks for clear ambitions, clear roles, being respected, equal opportunities for development, and being directed based on these principles. Voerman presents this philosophy regularly in the media.

Voerman tries to translate the concept of 'servant leadership and CSR' into practical projects and activities, such as the '50 + project'. Older employees receive more attention and respect via several types of training, a mentoring system, guidance of new employees by older employees, etc. As part of IiP and servant leadership, job reviews and appraisals are now held a lot more frequently and several new training initiatives have been introduced. A few times each year an external company provides training on CSR and 'servant leadership' to keep the concept vivid and tangible. These training sessions are for office personnel, as well as for the field organisation, such as the drivers. Training goals

include giving feedback on, for example, unsafe situations, reporting deficiencies to management, customers and supplier and being conscientious about it.

In the short term, Voerman wants to make all goals tangible by making them SMART (such as, feedback within seven days). Managers are called into account for their coordination and registration of reports and feedback.



Drivers and barriers

The question is: 'Why do some companies perform better than others?' Even in times of recession (such as 1995) Voerman was growing, because of the attention given to the individual employee (for instance, a fitness club, creative activities, etc.). What were their initial drivers?

- They tried to make the company a 'happy company', without giving the idea that 'it is all fun'. Being the 'best company' to work for attracts high quality people and gives a feeling of inspiration and motivation.
- Customers want to know who exactly is moving their furniture and ISO certification is relatively widespread and does not give extra value. CSR provides a long-term relationship by giving a little extra and by providing creative solutions, by doing new things.

What were the barriers to overcome?

- Vulnerability: people call you to account regarding your promises.
- Good and concise communication: they learned to know the importance of being clear and have SMART messages.
- Good communication is needed with external stakeholders.
- Competencies: people need to have a drive for development.

Guidance and support to employees in the field

It is a real challenge to keep the ideas of servant leadership alive in all parts of the company. In the field particularly, it is difficult to make the influence of servant leadership effective. Different people have different views.

This can lead to resistance, as in the following cases.

- There are several initiatives that seem to be separate initiatives and Voerman is trying to link them into one framework. For employees who do not see the link between different programmes, it is difficult to get commitment to the programme. Coherence between the initiatives is very important, as it gives a holistic picture.
- Different norms and values: some employees tend to be more aggressive or lazy.
- Motivation of field workers (the removers). It has been seen in the past that unsatisfied movers have a higher degree of sick-leave. It is important to really listen to their comments, for example if they want to work at the weekends, but it is also difficult to motivate them to give comments.
- The mentoring projects did not succeed, because of an unrelated organisational issue: in reality, team composition varies too much to give the bonuses for good mentorship on a fair basis.

Relationship with existing policies and management systems

Voerman International is ISO 9001-2203 certified and is approved by the Dutch Moving Association (Erkend Verhuizer). Apart from ISO, Voerman is a certified FAIM/ISO organisation and is a member of the industry bodies FIDI and OMNI (www.omnimoving.com). The IIP certification is not a goal; it's about the commitment of people, the improvement of feedback, listening and putting action on it.

The added value of CSR, also in relation to OSH

Voerman's message is 'we are working with the best people' and, in logistics services, the quality of the service and the people involved is a critical issue for creating a distinct image/profile. It has proven to be a successful formula and it builds long-term relationships. When customers are satisfied, they return and ask for additional services; several of which have been added in the past years.

Processes of organisational and societal learning

The management of the company realises that they have to give a good example and Mr Voerman feels that his behaviour is monitored critically. He needs to account for every decision he makes, even in these easier economic times. For example, in the case of lay offs, salary rounds, and making new deals, the important thing is to do right, to be fair and to act honestly. That does not mean simply to be nice and friendly all the time. We started a dialogue with our customers about our vision on CSR and this leads to very high expectations. But still, as human beings, everybody makes mistakes sometimes. What we do, if it happens, is apologise.

4.11. Volkswagen, Automobiles (Germany)



Introduction to the company and its activities

The Volkswagen group with its headquarters in Wolfsburg is one of the world's leading automobile manufacturers and the largest car producer in Europe. With 4.984 million vehicles delivered to customers in 2002, the company attained a global market share of 12.1 %. In western Europe, the largest car market in the world, nearly every fifth new car came from the Volkswagen group. Volkswagen AG consists of the Volkswagen plants in Wolfsburg, Brunswick, Hanover, Kassel, Emden and Salzgitter. Under the leadership of the group, the Audi and Volkswagen brands are responsible for the results of their respective brand group worldwide. Audi's brand group is made up of the Audi, Seat and Lamborghini brands and places an emphasis on sporty values. The Volkswagen brand group is made up of the Volkswagen, Skoda Auto, Bentley and Bugatti brands and stands for more classic values. The regional management of world markets comprises four areas of responsibility: European Union region, North America, South America/South Africa, and Asia-Pacific region. The financial services and Europcar business entities are now under joint management in the financial services division.

The Volkswagen group is a founding member of the World Business Council for Sustainable

Development (WBCSD) and the business-to-business network for CSR (CSR Europe). Volkswagen has joined the 'econsense — sustainable development panel' of German industry. Volkswagen AG was founded on 28 May 1937 and today has 157 066 employees in Germany.

Corporate vision on CSR

As a global player, Volkswagen has a special responsibility to society. The notion of sustainable development forms a fundamental principle of their corporate culture. A company can only practise sustainable development if it is constantly aware of the social, economic and environmental dimensions and consequences of its corporate activities. For Volkswagen, sustainability and responsibility to society mean the ability to develop solutions for economic, environmental and social problems. It is also the goal of the group to offer attractive, safe and environmentally friendly vehicles which are competitive on an increasingly tough market and which set world standards in their respective classes.

CSR equals innovative solutions for social problems inside and outside the company, the implementation of which also guarantees future profitability. CSR is thus a basic component for sustainable development:

- acting in a socially responsible way guarantees sustainable corporate success;
- the competition for best practice in social responsibility in Europe has begun;
- the Volkswagen group leads in the implementation of social standards;
- creating equal opportunities at the workplace;
- improving social performance reporting.

Over the next three years, Volkswagen AG will be sponsoring the CSR Europe campaign 'Improving communication and reporting on corporate social performance'.

Implementation

Innovative personnel projects represent a key factor in the company's success. They create the space for innovative ideas on the part of their employees and make an important contribution towards added value. Their personnel strategies are core elements of the company's social responsibility.

The Volkswagen group defines itself as a 'breathing company'. The whole group places itself at the service of its customers across all time zones 24 hours a day. The Volkswagen week of three to six days of flexible production has become the very essence of flexibility before customers with as short and as reliable a delivery period as possible. This is also an alternative to a 'hire and fire' employment strategy.

Volkswagen has thus succeeded in coping with the rate of change in customer requirements and market developments.

Future incomes must be financed from added value to a greater extent. The modernisation of their remuneration systems follows this long-term strategy.

The most important stages were the introduction of a stronger orientation towards results (company and performance bonus), the opening of the remuneration system for salary conversion (participation pension) and the further development of employee shares to a stock option scheme. The time asset bond also involves Volkswagen entering completely new terrain. The time asset bond allows an overall working life to be organised and financed, while at the same time providing a fund for securing employment in the future. The time asset bond can be used by the employee to document claims on Volkswagen for paid release from work. The objective is to provide the employee with the opportunity to influence the shaping of his or

her overall working life, with the aim of shortening it.

The new Volkswagen pension fund makes it possible to secure company retirement provisions in spite of both the increase in life expectancy and the rising number of Volkswagen pensioners, while at the same time lowering the financial burden on the corporation.

Their employment research has shown that regions characterised by a high degree of 'cluster formation' also present strong increases in employment.

The 5 000 Model makes industrial work possible in Germany again. They offer 5 000 additional workplaces with a monthly income of EUR 2 500, plus participation in results. Employees become entrepreneurs in the company. Consistent orientation toward the customer in terms of quality, price, loyalty and speed of delivery are key elements of the concept. The 5 000 Model represents an opportunity to meet the challenges of industrial work in the future and offers new potential to the 'old' locations.

Relationship with existing policies and management systems

Environment policy

In May 1995, the Volkswagen group formulated its environmental policy based on its existing environmental guidelines. In the months that followed, the brands of the Volkswagen group, as well as a number of national companies, developed environmental policies of their own, based on the group policy but aligned with their respective corporate cultures.

Principles

It is the objective of the Volkswagen group to offer environmentally sophisticated vehicles which take equal account of the demands of its customers in terms of environmental accept-

ability, economy, safety, quality and comfort. The environment management of the Volkswagen group ensures that, jointly with suppliers, service providers, retailers and recycling firms, the environmental acceptability of its vehicles is improved efficiently, systematically and continuously over their entire life cycle — from creation to disposal. So as to achieve the long-term security of the group and to enhance its competitiveness, the Volkswagen group's research and development is carried out on an environmental basis. Frank and clear information, and dialogue with customers, dealers, investors and the public, are a matter of course for the Volkswagen group. Cooperation with government and authorities is based on an action-oriented approach of mutual confidence. All employees of the Volkswagen group are informed, trained and motivated for the environmental protection in line with their tasks. They are under obligation to implement these principles, and to fulfil the statutory provisions and those drawn up by authorities.

Volkswagen's future security results from the spirit of cooperative conflict management and social commitment and they face the challenges of globalisation together with the employees.

The basic goals are freedom of association (the basic right of all employees to establish and join unions and employee representation), no discrimination, free choice of employment, no child labour, compensation, work hours, and occupational safety and health protection.

The added value of CSR, in relation to OSH

'Social responsibility as the engine for value-added processes'

This is implemented throughout the group worldwide on the same ethical and social principles. Work-holder value stands for the ability to produce more than others from human cap-

ital in the form of management and staff. Today, and in the future, Volkswagen will therefore continue to be guided by the following rule: job security and investment in people remain the constant factor in all the necessary adaptation processes carried out within the company.

The future viability of the company's commercial ideas, their products and services, and safeguarding the employability of their workforce, are crucial and fundamental aspects of their CSR.

The ambitious goal of this European assessment is to focus international financial markets on another type of corporate assessment. The maxim is 'social investing': raising the awareness of private and institutional investors to the significance of work-holder value, that is, to create a form of financial reward for CSR.

This applies just as much to consumers as to investors. Even today, purchasing decisions can no longer be considered as mere rewards for product performance: they are increasingly also based on corporate social performance, and therefore stimulate competition for best performance.

Transparency and reporting

The employees of Volkswagen will be informed about all of the provisions of the declaration on CSR. Within the context of the respective plant practice, unions or existing elected employee representatives will have the possibility to inform the workforce together with representa-

tives of management. Volkswagen supports and expressly encourages its contractors to take this declaration into account in their own respective corporate policy. It views this as an advantageous basis for mutual relationships.

An environmental report, available on the Internet at www.mobilitaet-und-nachhaltigkeit.de, offers more of an insight into environmental strategy and management at Volkswagen. Further information can also be found on the web page: <http://www.volkswagen-ag.de/english/defaultE.html>

Processes of organisational and societal learning

IT competence is becoming humanity's fourth cultural skill after reading, writing and arithmetic. Support in acquiring IT skills is a decisive contribution to enhance the performance of their employees and to improve the competitiveness of their group as globalisation intensifies. The promotion of and demand for continuous learning must therefore be understood as an outstanding characteristic of social corporate responsibility.

The future belongs to widely interconnected, networked job families. These are communities of skills and competencies, which compete for their common work-holder value in the company, the regions, and in global networks: for their life chances, for the development and income prospects of their jobs. Job families will offer to the individual a sense of belonging and may be compared to the guilds of old.

5.



EUROPEAN, GLOBAL AND NATIONAL INITIATIVES TO PROMOTE CSR — DEVELOPMENTS IN THE CONTEXT OF ORGANISATIONS

5.1. Introduction

This chapter presents CSR initiatives that influence the context of organisations. Firstly, an overview is given of international CSR initiatives (European and global) and secondly, some national initiatives are described, which address CSR as well as occupational safety and health (OSH).

Section 4.2 reviews all the prominent international CSR initiatives identified as part of this

project and attempts to describe the ‘CSR world’ we live in. Occupational safety and health aspects can be of direct or indirect importance in these CSR initiatives.

The subsequent sections give examples of national initiatives and draw a distinction between CSR initiatives that address OSH (4.3) and ‘innovative’ OSH initiatives that relate to CSR (4.4).

5.1.1. Categorisation of initiatives that support OSH in CSR

The following dimensions can be identified in the types of initiative regarding CSR:

- type of initiative (aimed instrumentation), for example, awareness, partnership, certification;
- initiating party, for example, government, employers organisations, unions or a single company;
- target group;
- contents of OSH and CSR, for example, enriched OSH initiatives, OSH in CSR initiatives, and purely CSR initiatives.

The initiatives described in this chapter will be categorised as follows:

1. initiatives to raise awareness; awards and ethical initiatives;
2. exchange of knowledge: best practices, networks, pilot projects, and guidelines;
3. standardisation and certification;
4. reporting (external) and communication;
5. innovative partnerships: NGOs — public and private;
6. ethical trade initiatives (fair trade);
7. involvement of financial sector/financial incentives.

Following this categorisation, Section 4.2 lists the international initiatives and Section 4.3 gives an overview of the national initiatives. The last section in this chapter gives an overview of OSH initiatives that we have classified as CSR-compatible OSH initiatives.

At the beginning of each section the initiatives are presented in a table, following the seven categories.

5.2. Overview of different types of international (European and global) initiatives

This section presents the major international and global CSR initiatives. The relationship with

OSH is seldom stated directly; nevertheless, this summary gives a good overview of current CSR activities, the objectives, working methods and possibilities and content related to OSH. The international initiatives have been categorised where possible.

Name of International initiative	Initiating party	Target group	Contents (Related to OSH)
Awareness & ethical			
Green Paper Promoting a European framework for CSR (European Commission, 2001)	Government (EU)	Partnership of 'all actors'	CSR + paragraph OSH
Great Place to Work	Private organisation	Companies	OSH, HRM and CSR
Global Impact	Sector organisations, public sector institutions (visionary leaders)	Global Impact members (companies)	CSR
Exchange of knowledge			
The Social Venture Network	Companies (visionary leaders)	SVN members (companies)	CSR + OSH (one standard of employment practices)
World Business Council for Sustainable Development	Companies worldwide	Companies	CSR
Global Business Coalition on HIV & AIDS	Private initiative (business)	Business, individual companies, governments, international community, and NGO's (encourage partnerships)	OSH and Public Health
EFQM/Business Excellence	European Business leaders	Companies	CSR (stakeholder philosophy)
CSR Europe	Private initiative (business)	Business, dialogues with other parties	CSR and some OSH
The OECD's guidelines for multinational companies	Government (OECD)	National governments	CSR
Standardisation and certification			
ILO Conventions	Government (ILO)	National governments, companies	OSH and CSR
ISO 14001 & ISO CSR International Standards	Business	Companies	Environment (OSH)
SA8000 Social Accountability Standard	Government (ILO)	Companies	OSH, CSR (good working conditions)
AA1000 and AA2000 Accountability Standards	Not-for-profit institute	Companies	CSR

Name of International initiative	Initiating party	Target group	Contents (Related to OSH)
Reporting -external- and communication			
Global Reporting Initiative Responsible care	NGO (CERES), and UN Environmental Programme Chemical branch	Companies Chemical industry	CSR (indicators on OSH) OSH and CSR-avant-la-lettre
Innovative Partnerships NGO's–Public-Private			
Global compact	UN and business leaders	Companies, UN agencies, labour and civil society	CSR
Uniapac	Business (members committed to Christian faith)	Companies, shareholders, society	CSR (ethical)
Ethical trade initiatives (Fair trade)			
The fair trade federation	Business	Wholesalers, retailers and producers	CSR (social criteria)
Involvement financial sector / financial incentives			
Dow Jones Sustainability Index	Business	Companies (managers)	CSR (OSH is one of the criteria)

5.2.1. Initiatives to raise awareness; awards and ethical initiatives

5.2.1.1. Green Paper 'Promoting a European framework for CSR' (European Commission, 2001)



This important document aimed to launch a wide-ranging debate on how the European Union could promote CSR at both the European and international level. It focused, in particular, on how to make the most of existing experiences, to encourage the development of innovative practices, to bring greater transparency and to increase the reliability of evaluation and validation.

It suggests an approach based on the deepening of partnerships in which all actors have an active role. In this Green Paper, a special section is dedicated to health and safety at work, as part of the 'internal dimension' of CSR.

(http://europa.eu.int/comm/employment_social/soc-dial/csr/greenpaper.htm)

5.2.1.2. Great Place to Work® Institute

Author Robert Levering and organisation consultant Amy Lyman founded the Great Place to Work® Institute in 1991, in collaboration with a team of professional organisation and management consultants. The institute is a research and management consultancy, based in the United States, with international affiliate offices throughout the world. It has been evaluating employers since 1980 with the aim of understanding what makes a workplace 'great' and has concluded that trust is vitally important. Trust manifests itself in every relationship and, where there is a high level of trust, people cooperate and collaborate, leading to positive workplace interactions, higher profits, and greater productivity. At the Great Place to Work® Institute, an employee-centred model has been considered for more than 20 years as a clear, comprehensive representation of the importance of trust in creating great workplace relationships.

The institute brings together the expertise, methodological rigour, and proprietary tools that can help to turn a workplace environment into a source of competitive strength, while creating collaborative, successful relationships among people at all levels of an organisation.

Each year, the Great Place to Work® Institute produces various 'best companies' lists in the United States including Fortune's '100 best companies to work for'®. The selection methodology used for the US lists is the same as for the more than 20 international lists, including each of the 15 EU Member States, Brazil, Korea, and a number of other countries throughout Latin America and Asia. Companies are selected for the best companies lists primarily on the basis of their employees' responses to the Great Place to Work® Trust Index®, a proprietary employee survey that consists of 55 statements that cover 'credibility', 'respect', 'fairness', 'pride', and 'camaraderie'. (www.greatplacetowork.com/)

5.2.1.3. Global Impact



Global Impact is a not-for-profit organisation that helps poor people across the world and represents 50 of the most respected US-based international charities. It was established in 1956 and has grown to become the US leader in raising awareness and funds at the workplace for its member agencies. It provides an organisation through which Americans can direct their charitable contributions and manages the workplace giving campaign for the Department of Defence.

The board of directors of Global Impact is composed of leaders and visionaries committed to the international humanitarian aid and development work of Global Impact member agencies.

The members of the board represent private sector organisations, public sector institutions and Global Impact member agencies. All prospective and current Global Impact member agencies must meet regulatory requirements, as set forth by the US Office of Personnel Management and other governing entities. Global Impact member agencies must also:

- demonstrate their commitment to international humanitarian relief and development;
- devote a substantial portion of their resources to social services, development or relief programmes that directly aid people in foreign countries;
- have a recognised reputation for integrity in programme implementation, financial management and programme effectiveness;
- complement and broaden other Global Impact member agencies through their international programmes that provide geographic, programmatic and ethnic diversity. (www.charity.org)

5.2.2. Exchange of knowledge: best practice, networks, pilot projects and guidelines

5.2.2.1. The Social Venture Network



Some visionary leaders in socially responsible entrepreneurship and investment founded the Social Venture Network (SVN) in 1987. It is a non-profit network committed to building a just and sustainable world through business. SVN promotes new models and leadership for socially and environmentally sustainable business in the 21st century. Information services and forums are used to strengthen the community

and empower members to work together towards their shared vision.

Through SVN, members have launched new enterprises, taken stands on public policy issues and improved their own 'triple bottom line' performance for people, planet and profits. Access to information is the key resources in any network and SVN enables its members to get connected and provides them with the necessary tools to obtain relevant information quickly. SVN also offers several forums where members can connect, learn, educate, brainstorm and execute ideas.

In response to the growing consensus that companies and organisations have a social obligation to operate in ethically, socially, and environmentally responsible ways, several SVN members collaborated to publish the SVN 'standards of corporate responsibility' in 1999 (www.svn.org/initiatives/PDF_standards.pdf). One of the standards concerns 'employment practices' also covering OSH-aspects. Practice 2 states: 'The company places special emphasis on maintaining the health and safety of its employees. A written statement, provided to all employees, sets out the procedures for risk reduction and monitoring'. (www.svn.org)

5.2.2.2. World Business Council for Sustainable Development



World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a coalition of 165 international companies, united by a shared commitment to sustainable development based on the three pillars of economic growth, environmental balance and social progress. Members are drawn from more than 30 countries and 20 major industrial sectors. The Council has a glob-

al network of 43 national and regional business councils and partner organisations located in 39 countries, involving some 1 000 business leaders globally. Its mission is to provide business leadership as a catalyst for change toward sustainable development and to promote the role of eco-efficiency, innovation and CSR.

The Council has four main aims as follows.

- Business leadership: to be the leading business advocate on issues connected with sustainable development.
- Policy development: to participate in policy development in order to create a framework that allows business to contribute effectively to sustainable development.
- Best practice: to demonstrate business progress in environmental and resource management and CSR and to share leading-edge practices among the members.
- Global outreach: to contribute to a sustainable future for developing nations and nations in transition.

Although the main focus of the Council is on the environment, it sees CSR in a broader perspective and employees are seen as important stakeholders and a critical success factor for successful innovation. There are, however, no main themes focusing specifically on OSH (www.wbcd.ch).

5.2.2.3. Global Business Coalition on HIV and AIDS (GBC)



Established in 1997, GBC is an alliance of international businesses dedicated to combating the AIDS epidemic through the business sector's skills and expertise. Jürgen E. Schrempp, the Chairman of the Board of Management of Daimler Chrysler was appointed Chairman of the GBC in June 2002 (previous chairmen were

Sir Richard Sykes, Glaxo Wellcome (1997–2000), and Bill Roedy, MTV Networks International (2000–02)). Richard Holbrooke, former US Ambassador to the United Nations, became President and CEO in 2001.

Its mission is to increase significantly the number of companies committed to tackling AIDS, and to making business a valued partner in the global efforts against the epidemic. With the support of global leaders in government, business and civil society, the GBC promotes greater partnerships in the global response to HIV/AIDS, identifying new, innovative opportunities for the business sector to join the growing global movement against this terrible disease.

The GBC's first goal is to increase the range and quality of business sector AIDS programmes — both in the workplace and broader community. The GBC identifies new opportunities for businesses, supports the development of AIDS strategies by individual companies and encourages governments, the international community and the non-governmental sector to partner with the business sector.

One of the instruments to reach this goal is the award for business excellence that was launched in 1998 (www.businessfightsaids.org/about_awards.asp). The awards have proved valuable in identifying and promoting responses of companies around the world to HIV and AIDS that might otherwise go unheard of. Entries for these awards are accepted from private sector businesses only, and concern responses to HIV/AIDS that are current. It goes without saying that occupational safety and health is an important aspect for the struggle to reduce the number of cases of HIV/AIDS. (www.businessfightsaids.org)

5.2.2.4. EFQM/business excellence and CSR guideline



Now termed the EFQM model (European Foundation for Quality Management), the business excellence model has been the introduction to value-based leadership and CSR for many companies. Companies that use the EFQM model can come very far in terms of sustainability and the model can be seen as an early introduction to the stakeholder philosophy. As such, it encourages corporate leaders to focus on more than just the bottom line in accordance with the rationale that this creates the best long-term results.

EFQM is currently developing the EFQM CSR guideline, a framework giving specific answers to:

- developing exchange of experience and good practice on CSR between businesses;
- developing CSR management skills;
- fostering CSR among SMEs;
- management standards;
- measurement, reporting and assurance.

The benefit of using the EFQM CSR guideline is that it will ensure that CSR is truly embedded in day-to-day business, policy and strategy and will address all stakeholders. CSR will not just be an 'add-on' or a once-only subject, but will be integrated into management practices. (www.efqm.org/)

5.2.2.5. CSR Europe



CSR Europe is a business-driven membership network with the mission to help companies achieve profitability, sustainable growth and human progress by placing CSR in the mainstream of business practice. The objectives of the network are to:

- promote the business case for CSR, by providing over 500 000 business people and partners with print and online publications, best practices and tools;
- offer business managers learning, benchmarking, and capacity-building opportunities;
- energise a broader stakeholder dialogue between businesses, European policy makers, governments, investors, social partners, civil society and academics.

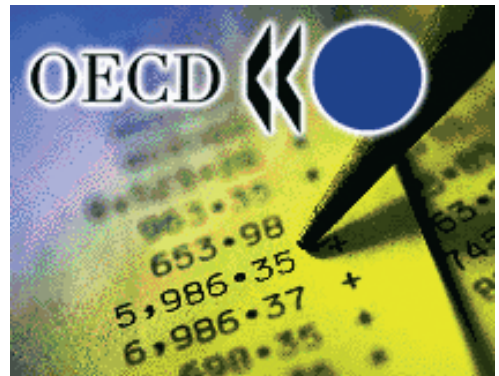
The network consists of 60 companies, 18 national partner organisations and has an online CSR information centre. CSR Europe has become the major European reference point on CSR strategies and practices for companies.

The principles of the members of the network are to:

- offer employees healthy and safe working conditions, ensure fair compensation and good communication, as well as equal opportunity for employment and development;
- conduct business responsibly by contributing to the economic health and sustainable development of the communities in which it operates;
- offer quality, safe products and services at competitive prices, meet customers' needs promptly and accurately and work responsibly with business partners;

- minimise the negative impacts that activities can have on the environment and its resources, while striving to provide customers with products and services that take sustainable consumption into account;
- be accountable to key stakeholders through dialogue and transparency regarding the economic, social and environmental impacts of business activities;
- operate a good governance structure and uphold the highest standards in business ethics;
- provide a fair return to shareholders while fulfilling the above principles.
(www.csreurope.org)

5.2.2.6 The OECD's guidelines for multinational companies



The OECD's guidelines are the first code of conduct standards for multinational enterprises. They aim to ensure that increasing globalisation does not take place at the expense of social and environmental conditions. Although not legally binding, national governments have committed themselves to ensuring that the guidelines are respected. The most recent recommendations regard the publication of information, competition, cooperation partners, environment, employment, corruption, taxation, new knowledge and technology (Oxford research, 2003). (www.oecd.org)

Guidelines for multinational enterprises, OECD, 2000, are available at: www.oecd.org/dataoecd/56/36/1922428.pdf.

5.2.3. Standardisation and certification

5.2.3.1. ILO conventions



The ILO has adopted almost 200 conventions regarding working (OSH) and living conditions; including the so-called 'eight core conventions'. The conventions form the basis for a number of the codes of conduct that companies are encouraged to follow, including the:

- ethical trading initiative (www.ethicaltrade.org);
- UN global compact (www.unglobalcompact.org);
- global Sullivan principles (www.globalsullivanprinciples.org).

Far from all countries have ratified these conventions and there is no systematic control of whether the countries that have ratified them actually do observe the conventions. The ILO is currently considering whether to set up a system for certifying auditors who will have the authority to approve working conditions and social conditions in companies (Oxford research, 2003). (www.ilo.org)

5.2.3.2. ISO 14001 and ISO CSR



Launched in the mid-1990s, ISO 14001 is the standard for environment management, which is a tool for the systematic handling and documenting of a company's environment conditions. To be ISO 14001 certified, companies must observe the relevant environmental legislation and carry out environmental improvements on a continuous basis. As a result, it is often emphasised that certification or registration is a guarantee for CSR in the environmental area; that is, that companies have voluntarily chosen to go beyond the legislative requirements on environmental issues (Oxford research, 2003).

On the basis of a study undertaken in 2001–02 by its Consumer Policy Committee (Copolco), the ISO Council established the strategic advisory group on CSR (SAG on CSR) in September 2002 to advise whether, and how, ISO should engage in the area of CSR. It was agreed at an early stage that CSR would be understood to refer to the three pillars of sustainable development: economic growth, social development and environmental conservation. The SAG on CSR also agreed to refer to 'SR', noting that social responsibility is a concept whose application is not limited to corporations. The SAG members met twice in 2003 and the ISO Council adopted three recommendations at its meeting of 13 March 2003, as follows.

1. The ISO should produce a technical report that will: a) map existing SR initiatives, and b) list any other issues that ISO must address prior to developing SR management system guideline standards.
2. Upon completion of the technical report, the SAG should undertake a justification study for an SR management system guideline standard, which specifically excludes the use of the standard for certification purposes.
3. ISO should undertake a review of its processes to ensure that they are suitable for SR standardisation.

- The ISO published a technical report (TR) on the issue at the end of 2003.
- A justification study (JS) is scheduled for 2004 (after completion of the technical report). The content of the JS will be guided by the list of 'other issues' to be included in the TR.
- Review of ISO processes: SAG members have noted that the success of ISO's work in the area of SR will depend on the degree to which ISO processes are perceived as credible by a diverse range of interest groups. As such, the SAG has recommended that ISO undertake a review of its processes with respect to the involvement of stakeholders.

The development of the TR and the review of ISO processes could still benefit from input by external parties on: (a) SR initiatives that the SAG members may not be aware of; (b) issues that should be addressed before ISO proceeds with the development of SR management system guidelines; and (c) ideas for improving the involvement of stakeholders in the ISO process. (www.iisd.org/standards/csr_documents.asp)

5.2.3.3. SA8000

SA8000 is an international standard for ethical/social conditions based on a number of ILO conventions (www.cepaa.org). It guarantees that the company complies with a number of fundamental standards for good working conditions and ensures that its suppliers and other cooperation partners do the same. Like ISO 9000 and ISO 14001, SA8000 has been developed to provide independent verification and certification by external accredited bodies. Towards the end of 2002, 183 companies became certified in accordance with this standard, the majority of which (116) were from Asia (Oxford research, 2003).

5.2.3.4. AA1000 and AA2000 (www.accountability.org.uk)



AA1000 is one of the most widely recognised process standards at international level. As a process standard, it can be combined with a number of other standards, but can also be used on its own as an independent standard. AA1000 has been developed with a view to ensuring that the company integrates its stakeholders in a process whose objective is to develop the values and goals of the organisation and generate indicators and reporting systems (Oxford research, 2003). Currently the Institute of Social and Ethical Accountability is developing a new version of this standard, the so-called AA2000.

5.2.4. External reporting and communication

5.2.4.1. Global reporting initiative



The global reporting initiative (GRI) was launched in 1997 as a joint initiative of the US non-governmental organisation Coalition for Environmentally Responsible Economies (CERES, see: www.ceres.org) and United Nations Environment Programme (UNEP, see: www.unep.org). Since September 2002, the GRI headquarters have been located in Amsterdam, the Netherlands.

The goal of the GRI is enhancing the quality, rigour and utility of sustainability reporting. It is based on principles and practices that promote rigorous reporting and underlie the application of the guidelines.

A report must address the following.

1. Vision and strategy: description of the reporting organisation's strategy with regard to sustainability, including a statement from the CEO.
2. Profile: overview of the reporting organisation's structure and operations, and the scope of the report.
3. Governance structure and management systems: description of organisational structure, policies, and management systems, including stakeholder engagement efforts.
4. GRI content index: a table supplied by the reporting organisation identifying where the information is located within the organisation's report.
5. Performance indicators: measures of the impact or effect of the reporting organisation divided into integrated, economic, environmental and social performance indicators.

The indicators in the GRI framework comprise the following categories: direct economic impacts, environmental impacts, labour practices and decent work, human rights, society and product responsibility. The 'labour practices and decent work' category comprises indicators for the impact on employment, labour/management relations, health and safety, training and education, and diversity and opportunity.

The 'health and safety' category lists four so-called core indicators:

- LA5: practices on recording and notification of occupational accidents and incidents, and how they relate to the ILO code of practice on recording and notification of occupational accidents and diseases;
- LA6: description of the joint health and safety committees comprising management and worker representatives and proportion of the workforce covered by any such committees;

- LA7: standard Injury, lost day, and absentee rates, and number of work-related fatalities (including subcontracted workers);
- LA8: description of policies and programmes (for the workplace and beyond) on HIV/AIDS.

The section on 'product responsibility' may also be relevant for health and safety at work. This section contains four sub-clauses. The clause on 'customer health and safety' is relevant for professional as well as end-consumer use. The clause on 'products and services' addresses product information and labelling items that are both relevant for professional use and for end consumers.

Increasingly, multinational companies are using the GRI guidelines to structure their CSR or sustainability reporting efforts. Potentially, the guidelines form an unofficial international standard for corporate reporting, and sustainable investment screening bureaus are increasingly using them to select preferred companies to invest in.

At the end 2003, there were about 300 organisations issuing sustainability reports referencing the GRI guidelines. The figure of 300 is an important milestone in the development of the GRI, demonstrating continued interest and uptake from around the world.

Recently the ICFTU — the global union federations as well as TUAC — have become involved with the GRI and, according to a representative from the Trade Union Advisory Committee to the OECD, they realise that the GRI guidelines are becoming a de facto industry standard in terms of non-financial reporting.

GRI: sustainability reporting guidelines (2002), 94 pp, GRI Interim Secretariat, Boston. (www.globalreporting.org)

5.2.4.2. Responsible care



'Responsible care' was first introduced in Canada in 1985 and is the chemical industry's international voluntary initiative to work with continuous improvement in safety, health and environmental performance. It also includes an open dialogue about the industry's activities and results that are achieved in these areas.

The aim of responsible care is to achieve voluntary improvements in environmental, health and occupational safety performance beyond levels required by the US government. It has been implemented since 1988 by the US chemical industry, through the American Chemistry Council. The programme has resulted in significant reductions in releases to air, land and water, major improvements in workplace and community safety, and expanded programmes to research and test chemicals for potential health and environmental impacts.

New programme enhancements adopted by the American Chemistry Council as a condition of membership include:

1. a responsible care management system;
2. an independent third party certification of the management system to ensure appropriate actions are taken to improve performance;
3. tracking and publicly reporting performance based on economic, environmental, health and safety, societal and product-related metrics;
4. a security code that helps to protect people, property, products, processes, information

and information systems by enhancing security throughout the chemical industry value chain.

www.americanchemistry.com/rc.nsf/open?OpenForm

www.icca-chem.org/section02a.html

For a concrete example of a national responsible care programme, see Section 4.3.3.1 (Swedish initiative: Ansvar & Omsorg)

5.2.5. Innovative partnerships: NGOs — public-private

5.2.5.1. Global compact



United Nations Secretary-General Kofi Annan first proposed the global compact in an address to the World Economic Forum on 31 January 1999 and its operational phase was launched at UN headquarters in New York on 26 July 2000. The Secretary-General challenged business leaders to join an international initiative that would bring companies together with UN agencies, labour and civil society, to support nine principles in the areas of human rights, labour and the environment.

The global compact's nine principles in the areas of human rights, labour and the environment enjoy universal consensus being derived from the Universal Declaration of Human Rights (www.un.org/Overview/rights.html), the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work (www.ilo.org/public/english/standards/decl/declaration/text/) and the Rio Declaration on the Environment and Development.

(www.un.org/esa/sustdev/documents/agen-da21/index.htm)

The nine principles are:

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: eliminate discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Through the power of collective action, the global compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation. In this way, the private sector — in partnership with other social actors — can help realise the Secretary-General's vision: a more sustainable and inclusive global economy. Today, hundreds of companies from all regions of the world, international labour and civil society organisations are engaged in the global compact.

The global compact is a voluntary corporate citizenship initiative with two objectives:

- mainstream the nine principles in business activities around the world;
- catalyse actions in support of UN goals.

To achieve these objectives, the global compact offers facilitation and engagement through several mechanisms: policy dialogues, learning, local structures and projects. The global compact is not a regulatory instrument — it does not 'police', enforce or measure the behaviour or actions of companies. Rather, it relies on public accountability, transparency and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the principles upon which the global compact is based. The global compact is a network. At its core are the Global Compact Office and five UN agencies: the Office of the High Commissioner for Human Rights, the United Nations Environment Programme, the International Labour Organisation, the United Nations Development Programme, and the United Nations Industrial Development Organisation. The global compact involves all the relevant social actors: governments, who defined the principles on which the initiative is based; companies, whose actions it seeks to influence; labour, in whose hands the concrete process of global production takes place; civil society organisations, representing the wider community of stakeholders; and the United Nations, the world's only truly global political forum, as an authoritative convener and facilitator. (www.unglobalcompact.org/Portal/)

In one of the networks linked to the global compact, an initiative was rewarded to investigate the feasibility of the establishment of a functional UN commission on occupational safety and health.

Carrying organisations

IVME Management Consultancy Training and Trade Ltd. Istanbul, Turkey, supported by International Dialogue Berlin. The initiative is linked with the global compact initiative.

Backgrounds and aims of the initiative

The initiative implies that OSH issues should be handled within a top level, specialised, functional and authoritative international platform and proposes the establishment of a functional UN commission on OSH. The commission is suggested to act as one of the functional commissions under the UN Economic and Social Council. The initiative investigates the feasibility of such a UN commission on OSH.

The objectives of the commission are:

- to gain measurable improvements in OSH-related damages and losses;
- to develop, improve and revise applicable standards and codes of practice and encourage (also enforce) the establishment of national contemporary OSH legislation.

A concise description of the initiative

The deficiencies in the field of OSH result in pecuniary and non-pecuniary damages and losses in labour life; like fatality, injury, occupational disease, damage, lost workdays and negative impact on workers' motivation. The other consequences are generally less productivity and product quality that lead to huge economic losses.

In order to find an appropriate solution for this worldwide problem, governments, NGOs and enterprises have to cooperate effectively by implementing the CSR principles. It is a duty of these organisations to provide adequate conditions of OSH as part of their responsibility in a global context. Therefore, the mission of the proposed UN commission is to promote the CSR

principles and the idea of working under healthy and safe conditions as a human right by acting as a research, steering and auditing body in effective collaboration with governments, NGOs and world business.

Further information

<http://www.idb-net.org>

<http://www.ivmeconsulting.com>

5.2.5.2. Uniapac



The International Union of Christian Business Executives (Uniapac) is a network of people with a commitment to business and the Christian faith. The members are managers, board members and shareholders professionally involved in global corporations, national companies and SMEs. They accept that companies must be competitive and profitable in free and increasingly global markets. Besides this, they believe that companies should attain the highest possible standards in social, environmental and ethical matters. The members are also committed Christians who regard their religious faith as a rich resource for their professional work. They help each other to improve their understanding of the implications of the Christian vision of the human person and society for the conduct of competitive business.

The goals of Uniapac include deepening mutual understanding between business executives and the Christian churches, and developing the spirituality and ethical awareness of its members. (<http://uniapac.org/>)

5.2.6. Ethical trade initiatives (fair trade)

5.2.6.1. The fair trade federation



The Fair Trade Federation (FTF) is an association of fair trade wholesalers, retailers, and producers. The members of the federation are committed to providing fair wages and good employment opportunities to economically disadvantaged artisans and farmers worldwide. This can be realised by directly linking low-income producers with consumer markets and by educating consumers about the importance of purchasing fairly traded products. By doing this, living wages and safe and healthy conditions for workers in the developing world are supported.

FTF also acts as a clearing house for information on fair trade and provides resources and networking opportunities for its members. By adhering to social criteria and environmental principles, fair trade organisations (FTOs) foster a more equitable and sustainable system of production and trade in order to benefit people and their communities.

(www.fairtradefederation.com/)

5.2.7. Involvement of the financial sector/financial incentives

5.2.7.1. Dow Jones sustainability index

Dow Jones Sustainability Indexes

Launched in 1999, the Dow Jones sustainability indexes (DJSI) are the first global indexes tracking the financial performance of the leading sustainability-driven companies worldwide. They are based on the cooperation of Dow Jones indexes, STOXX Limited and SAM and provide asset managers with reliable and objec-

tive benchmarks to manage sustainability portfolios. Asset managers in 14 countries currently hold over 40 DJSI licenses to manage a variety of financial products, including active and passive funds, certificates and segregated accounts. In total, these licensees presently manage EUR 2.1 billion based on the DJSI. The score on occupational safety and health is one of the criteria on which companies are tracked. (www.sustainability-index.com/)

5.2.8. References for international initiatives

- AA1000 and AA2000, <http://www.accountability.org.uk>
- CSR Europe, <http://www.csreurope.org/>
- Dow Jones sustainability index, <http://www.sustainability-index.com/>
- EFQM/business excellence, <http://www.efqm.org/>
- European Commission, 'Promoting a European framework for CSR', Green Paper, European Commission, Directorate-General for Employment and Social Affairs, 2001, http://europa.eu.int/comm/employment_social/soc-dial/csr/greenpaper.htm
- Global business coalition on HIV and AIDS, <http://www.businessfightsaids.org>
- Global compact, <http://www.unglobalcompact.org/Portal>
- Global Impact, <http://www.charity.org>
- Global reporting initiative, <http://www.globalreporting.org>
- Great Place to Work®, <http://www.greatplacetowork.com/>
- ILO conventions, <http://www.ilo.org>
- ISO CSR, http://www.iisd.org/standards/csr_documents.asp
- Responsible care, <http://www.americanchemistry.com/rc.nsf/open?OpenForm>
- SA8000, <http://www.cepa.org>
- Sustainability reporting guidelines (2002), 94 pp, GRI Interim Secretariat, Boston
- The Fair Trade Federation, <http://www.fairtradefederation.com/>

- The OECD’s guidelines for multinational companies, <http://www.oecd.org> and <http://www.oecd.org/dataoecd/56/36/1922428.pdf>
- The Social Venture Network, <http://www.svn.org/>
- Uniapac, <http://uniapac.org/>
- World Business Council for Sustainable Development, <http://www.wbcsd.ch>
- initiatives from the social partners (employers organisations, unions) or national government with respect to CSR, that explicitly address OSH;
- OSH initiatives (at national level, or sector level, or regional level) that explicitly refer to CSR (including European or international initiatives coordinated in their country).

5.3. CSR initiatives: national examples

This section gives examples of national initiatives to promote CSR. The project group on CSR and OSH ⁽²⁾ and the Agency’s network of national focal points ⁽³⁾ provided the descriptions of:

- prominent CSR initiatives that explicitly address OSH;

The overview of national initiatives is not meant to be a complete list; rather it illustrates the diversity of OSH-CSR initiatives that exist in several countries.

⁽²⁾ Members of the Agency’s Topic Centre Research.

⁽³⁾ http://agency.osha.eu.int/focal_points/index_en.htm

Name of the initiative	Initiating party	Target group	Contents
Awareness & ethical			
NCW foundation (NI)	Social partner	Companies	CSR and OSH
STIMO (NI)	Social partner	Companies	CSR including OSH
Ministry of welfare CSR Sc project (I)	Government	Companies	CSR and OSH
Measures designed to support OSH and favour the promotion of CSR (I)	Government (regions)	Companies (Regional business)	CSR and OSH
Letter of invitation for Global Responsibility (Sw)	Government	Companies and social partners	CSR
Code of Business ethics (UK)	NGO	Companies and wider (society)	CSR and OSH
Employers Award: ‘kroon op het werk’ (NI)	Government & NGO	Companies	More OSH than CSR
The corporate responsibility initiative of the Confederation of Finnish Industry and Employers, TT (FI)	Umbrella organisation for branch organisations	Member companies	More CSR than OSH
Exchange of knowledge			
Network of CSR experts and trade union participation (It)	EU/social partners	Individuals within companies	CSR and OSH
NIDO (NI)	Government	Companies	More CSR than OSH
Society and business (UK)	Government	Companies	CSR

Name of the initiative	Initiating party	Target group	Contents
Standardisation & Certification			
Certification of the social dimension (NL)	Social partner	Companies	OSH and CSR
Social label (Be)	Government	Productions processes (companies and workers worldwide)	More CSR than OSH
External communication			
Responsible care Sweden: Ansvar & Omsorg (Sw)	Social partners in Chemical industry	Chemical companies	More environment and OSH (CSR avant-la-lettre)
Innovative Partnerships			
Anima (It)	Social partner	Companies, NGOs	CSR
Trivisi (Be)	Government	Private companies, NGOs, social partners the academic world and experts	CSR and OSH
Business in the community (UK)	Business, government, local authorities and trade unions	Companies	More CSR than OSH
Ethical Trading			
Clean clothes at work (Be)	Trade unions, enterprises and NGOs	Confection branch	CSR
Ethical trading initiative (UK)	Trade unions, enterprises and NGOs	Companies in global supply chains	CSR
Financial (e.g. incentives)			
Social-ethical policy as a spearhead of Code of conduct VDBO (NL)	NGO (as of investors)	Investors (companies)	More CSR than OSH
Social clauses in public procurement (Be)	Government	Building industry	More OSH than CSR

5.3.1. Initiatives to raise awareness and ethical initiatives

5.3.1.1. NCW Foundation (NL)



Carrying organisation

VNO-NCW (the Netherlands' largest association of employers)

Background and aims of the initiative

The NCW foundation is related to the VNO-NCW, the largest employers association in the Netherlands, promoting the interests of the Dutch business community. NCW was formed with the merger of VNO and NCW on 1 January 1997. Within VNO-NCW the foundation has the role of a centre for reflection and contemplation on social issues, ethical issues, philosophy of life, CSR and Christian-social thinking. Tasks of the foundation are:

- generating new ideas involving CSR, ethics and philosophy of life, for example, by bringing out publications;
- organising events, conferences, retreats;
- participation in relevant networks (for example, the international association Uniapac, SVN).

Since CSR is already incorporated in the VNO-NCW association, the foundation focuses on 'personal commitment of the entrepreneur'.

In the field of CSR, the 'triple Ps' are mentioned frequently: 'profit, people and planet'. The foundation also adds '*pistis*', the Greek word for 'trust', and 'principles'. According to the foundation, trust is very important in labour relations, internally as well as externally, and in the relationship with stakeholders and suppliers. The foundation is interested in exploring how trust can be created and it states that regulations and collective labour agreements do not do so. One can organise trust, but first you have to prove it yourself as a person, as a manager/employer or employee.

The foundation's publications on social and ethical issues deal with subjects of meaningfulness, the soul of an organisation, authenticity in leadership, 'servant leadership' and spirituality in the working environment.

Impacts so far

Successful conferences, retreats and workshop have been organised on themes such as integrity in the work situation, reflection, spirituality and management etc. Moreover the foundation facilitates policy formulation at VNO-NCW, and implementation of CSR: for example, designing a guideline for annual reporting, organising events on CSR, active pre-work for several conferences (such as the 21st Uniapac world congress), publication of a study on codes of conduct, participation in a research project on

philosophy on life and CSR: the translation from motives to behaviour (in Dutch).

For further information

Klamer, H., Waar de stichting NCW voor gaat and staat. Jaarverslag 2002, enkele beschouwingen. Stichting NCW Den Haag (2003).

www.stichtingncw.nl

5.3.1.2. STIMO Foundation (NL)



Carrying organisation

The Royal Dutch Employers Association for SMEs, MKB-Nederland

Background and aims of the initiative

The aim of STIMO (Stichting Maatschappelijk Ondernemen, Foundation for Societal Entrepreneurship) is to create visions that influence SMEs' policies, based on Christian-social values. Started by MKB Nederland, the Dutch foundation that supports the interests of the SMEs, the goal of STIMO is to create a good setting for social aspects of entrepreneurship. The foundation stresses the importance of socially involved managers for organisations' continued success. Investing in CSR pays and its importance does not apply only to the big international organisations. It is primarily the entrepreneur is SMEs that is at the centre of the social context and has to account for all different interests.

A concise description

STIMO publishes information bulletins and organises a congress each year on a CSR-related theme. The information bulletin contains inter-

views with managers on how they implemented CSR practices in their own organisation. In 2003, the theme of the congress was 'Prevention and reintegration: a public [social] challenge'. Research commissioned by STIMO has shown that, contrary to what is widely believed, entrepreneurs do indeed pay attention to prevention and reintegration above the minimum levels (legislation). Sick leave and outflow of personnel due to illness is currently at a low level in SMEs and the study suggests a number of interesting possible reasons as follows.

- Keep responsibility for prevention and reintegration at the workplace level (no new regulations top-down).
- Improve communication to entrepreneurs about financial programmes and sponsorship for costs caused by sickness.
- SMEs should share their experience on best practices and bottlenecks.
- Best practices to be made accessible for all SMEs in informational sessions.

Finally, the foundation stresses the importance of organisational culture in dealing with issues like absences due to illness. This culture is influenced mostly by the person, the entrepreneur himself, leadership styles, and of course also by the employees themselves.

For further information

Preventie en reïntegratie: een maatschappelijke opgave. Koninklijke vereniging MKB Nederland, Delft (maart 2003). Contact: Mr. W. M. J. M. van Mierlo, secretaris Stichting Maatschappelijk Ondernemen. www.mkb.nl

5.3.1.3. The Ministry of Welfare's CSR-SC project (IT)



Carrying organisation

The Ministry of Labour and Welfare, the Italian government, Italian enterprises

Background and aims of the initiative

Several initiatives have contributed to stimulate Italian society (institutions, media, enterprises, and so on) to awaken to CSR:

1. publication of the European Commission's Green Paper on CSR;
2. the article 'Social oriented cover story' edited by Italian review *Espansione*, December 2001;
3. Procter & Gamble's experiences in Italy.

The CSR-SC project presented by the Ministry of Labour and Welfare on 13 December 2002, at the Bocconi University in Milan (Italy), is in line with the European guidelines on CSR.

CSR should become part and parcel of the basic strategies of enterprises, interacting with all fields of corporate management: financial, production (complying with regulations, reducing the environmental impact of production, health and safety at work (OSH), non-exploitation of child labour, focus on quality and safety of products), marketing, human resources (career management, training policies, employee redundancy management, etc.) and, generally speaking, with corporate strategies and policies.

The project assigns an important role to spreading ethical behaviour among enterprises, but its key characteristic is extending this vision, by means of proactive actions, to include social commitments aimed at 'promoting the active participation of enterprises in support of the national and local welfare system, according to advanced public-private integration models'.

This level does not envisage assessment by a third-party body. The promotion of corporate awareness and the spreading of CSR, according

to the approach adopted by the Ministry of Labour and Welfare, could be achieved by means of instruments such as voluntary agreements or memoranda of understanding between private or public/private sector parties.

Concise description of the initiative

The government intends to involve enterprises in financing part of the welfare policies. The system, which is still being defined, envisages the involvement of all stakeholders, with the government's role being (i) to identify the areas of intervention requiring specific actions, at national and local level, and (ii) to direct resources to priority projects. Enterprises, acting from a perspective of corporate citizenship, can join the projects on a voluntary basis and contribute to the financing of the welfare policies, while the actions shall be managed and carried out directly by the associations and volunteer organisations. For example, the problem of assisting non-self-sufficient persons could be tackled and solved jointly by the public sector and the for-profit/non-profit private sector.

Impacts so far

Two legislative instruments are currently being approved: (i) initiatives on fiscal matters, in order to provide for the introduction of tax exemptions from contributions made by the private sector, including enterprises, in connection with projects concerning families and other social issues; and (ii) social insurance reform which, following the demobilisation of the TFR (end of service allowance fund), shall make available approximately EUR 12 billion each year to the supplementary pension market. The government's objective is to develop so-called 'ethical supplementary pension funds', that is, funds investing in socially responsible enterprises, a system that is considerably widespread in north European countries, particularly the UK.

The first tier, called the CSR level, consists of a voluntary approach by enterprises through:

- management systems, such as the ISO approach;
- sector models, such as responsible care.

For further information

Research project for the Italian Ministry of Welfare — Proposal for a CSR-SC Standard, edited by Università Bocconi, Milan, 2002 (also available in CD-Rom).

www.welfare.gov.it/

Contact e-mail: csr@minwelfare.it

5.3.1.4. Measures designed to support OSH and favour the promotion of CSR (IT)

Carrying organisations

Italian regional authorities: Abruzzo, Tuscany, Umbria

Background and aims

The measures designed to support OSH and favour the promotion of CSR, funded by Structural Funds, can be found in the single community resource development plans. These have been drafted by regional authorities, approved by the European Commission and broken down into axes, measures and actions and sub-measures. They include the programming documents for industrial areas in decline, urban areas in difficulty and depressed areas dependent on fishing, as mentioned below. Some of these measures constitute the co-funding of special regional laws (Law 488/92, Law 598/94). Other measures offer support for the acquisition of services and consulting for the awarding of certification.

Measures

Abruzzo

To introduce systems of environmental quality certification and CSR on occupational safety and health protection issues. The proposal includes three types of certification: environmental, concerned with good practices adopted by companies in terms of respect for the environment; worker safety and health and safety standards at work; and CSR, concerning the voluntary adoption of behavioural and management norms in commercial relations and towards consumers.

Tuscany

First incentive: Capital account contribution for the acquisition of external services and consulting expenses on the part of SMEs. Maximum facility: 50 % of allowable expenses. For SMEs, a minimum of EUR 10 000 and maximum of EUR 100 000 of expenses have been established.

Second incentive: to support Tuscan businesses that intend to obtain SA8000 social responsibility certification and are excluded from Structural Funds.

Third incentive: to favour the restructuring, liberalisation, innovation and growth of the distribution system, in particular SMEs.

Umbria

Purchase of external services and consulting on the subject of certification (quality, environmental, safety, social responsibility).

For further information

www.regione.abruzzo.it

www.regione.toscana.it

www.regione.umbria.it

5.3.1.5. Letter of invitation for global responsibility (SW)

Carrying organisation

The Swedish government

The Swedish government has invited employers and their representatives to participate in 'Swedish partnership for global responsibility'. The letter of invitation points out that the government has had a continuous dialogue since 1979 with the labour market parties concerning their social responsibility according to OECD guidelines for multinational companies. Reference is also made to the UN global impact and to initiatives in the ILO and EU.

5.3.1.6. Code of business ethics (UK)

Carrying organisation

The Institute of Business Ethics in London

Background and aims of the initiative

The Institute of Business Ethics was founded in 1986 by Neville Cooper and launched at the Mansion House with an appeal by the Lord Mayor. Originally, it operated as a fund within CABE, a registered charity established to promote the study and application of Christian moral principles in the conduct of business.

In 2000, the Institute obtained separate charitable status, its charitable article being 'to advance public education in business ethics and related subjects with particular reference to the study and application of ethical standards in the management and conduct of industry and business generally in the United Kingdom and elsewhere'.

IBE encourages companies to develop and apply ethical codes and publishes guidance on ethical principles in business.

Concise description

Suggested contents for a company code include the purpose and values of the business; employees; customer relations; shareholders or other providers of money; suppliers; society or the wider community and implementation.

The employee issues suggested are how the business values employees; company's policies on: working conditions, recruitment, development and training, rewards, health, safety and security, equal opportunities, retirement, redundancy, discrimination and harassment; and, use of company assets by employees.

Impacts so far

The website news page contains links to articles showing how business ethics creates dividends for companies.

For further information

www.ibe.org.uk

Do business ethics pay? <http://www.ibe.org.uk/publications.htm>

5.3.1.7. Employer award 'A crown for good work' (Kroon op het werk) (NL)



Carrying organisations

Commission Work-disabled & Work supported by the Dutch Labour Foundation and the Dutch Ministry of Social Affairs and Employment.

Background and aims of the initiative

The 'Kroon op het werk' prize is given each year to a company or organisation that distinguishes itself from others in the field of work reintegration, human resource management, absence management and OSH policy. The prize aims to present the winners as 'good practice' examples

for other organisations in the same branch or in the Netherlands in general.

Concise description of the initiative

The companies or organisations that are nominated for the 'Kroon op het werk' prize have shown that, with their employee policy, they go further than required by law. Driven by a social responsibility, these organisations pay special attention to OSH-related aspects in the work of employees. Employees in the awarded companies play a central role in the organisation and focus on continuous improvement of the quality of work. To make this possible 'Investment in people' is important and by focusing on a reduction of OSH risks, the organisations show their responsibility for their own employees and for society in general.

Impacts so far

The seventh annual prize was awarded on 16 April 2003. Previous winners have succeeded in a successful and remarkable way to reduce sickness absence and incapacity for work, as well as to employ disabled people wherever possible. The extensive attention paid to this prize in the press increases the impact on other organisations each year.

For further information

www.kroonophetwerk.nl

5.3.1.8. The corporate responsibility initiative of the Confederation of Finnish Industry and Employers, TT (FI)



Carrying organisations

The Confederation of Finnish Industry and Employers, TT, is an organisation promoting the interests of industrial enterprises in industrial,

labour market, social and trade policy issues. TT's member companies, 5 700 in all, account for three quarters of the total export income and added value of Finnish industry. TT is an umbrella organisation for about 30 branch organisations and is a member of UNICE (Union of Industrial and Employers' Confederations of Europe).

Background and aim of the initiative

TT launched the initiative on corporate responsibility among its member companies at the beginning of 2001. The aim was to encourage the companies to assess the sustainability and ethical aspects of their performance.

Concise description of the initiative

The content of corporate responsibility was determined to cover the three 'pillars' of sustainable development, that is, economic, environmental and social responsibility. The social dimension includes the personnel well-being and competence, product safety and consumer protection, ethical business practices in the supply chain, cooperation with local communities, and other activities for the public good. The pillar 'personnel well-being and competence' includes activities related to occupational accidents and absences.

In order to assist the member companies in their activities, information was prepared on corporate responsibility and self-assessment tools, and the issue was discussed in several meetings and seminars. The basis of the initiative lies in the voluntary nature of corporate responsibility. 'Corporate responsibility is active responsibility, which stems from the company itself'.

Impacts so far

The initiative has been received in a positive way and the work is continuing within individual companies and branch organisations. Some

branches, such as energy, construction, and electrical and electronics industries, have prepared their own branch-specific guidelines on corporate responsibility, while the chemical industry is running its responsible care programme. By now, practically all large companies have adopted development programmes and processes on corporate responsibility. Reporting on overall responsibility and sustainability is also increasing in the bigger companies.

Furthermore, TT is a partner in a national initiative called 'ethical forum', which promotes multi-stakeholder dialogue on corporate responsibility issues. The partners in the forum consist of representatives of business and industry, the government, trade unions, the church and non-governmental organisations, including environmental, human rights, development and consumer organisations.

For further information

www.tt.fi/english/publications

5.3.2. Exchange of knowledge: best practices, networks, pilot project, and guidelines.

5.3.2.1. Network of CSR experts and trade union participation in CSR (IT)

Carrying organisations

The CER (citizenship, enterprise and responsibility) network, financed by the EU is an initiative promoted by the Spanish General Union of Workers (UGT), with the support of the European Trade Unions Confederation, ETUC. The network is made up of researchers from UGT, and from the Istituto di Studi Sindacali, Centre of Trade Union Studies (ISS), of the UIL (Italian Workers Union).

Background and aims of the initiative

In 2002, UIL-ISS had the opportunity of taking part in a European project entitled 'Research into the creation of a network of CSR experts',

a project conducted jointly with the German Institut für Kirche und Gesellschaft and led by the Indeca study centre on behalf of the Spanish trade union UGT.

The experience gained through this participation prompted UIL-ISS to launch a further research project, which was presented during the conference held on 15 April 2003 at CNEL's Rome offices, entitled 'Trade union participation in CSR'.

The first research project aimed to develop a network of international experts able to share a single method and the same tools for detecting corporate behaviour and practices in order to verify businesses' real ability to be socially responsible.

The aim of the second will be to investigate the role of trade unions in the CSR sphere, with particular regard to the role of workers, the moral content of social responsibility and the promotion of the trade union as the company's main stakeholder. In particular, company case studies will attempt to identify the diversity of aims and actions practised in companies which operate in the same product categories, but which are located in five different European countries.

Concise description of the initiative

The project 'Research on the creation of a network of CSR experts' was conducted in three countries (Italy, Germany and Spain) and involved groups of five large companies belonging to five different sectors (public services, manufacturing, financial, telecommunications and the civil service). The research concluded that Italy is ahead of its European partners with regard to OSH policies adopted in companies. With particular regard to CSR evaluation in Italy, the following may be highlighted.

- It is encouraging that the number of women employees has risen and that their career opportunities are greater than ever before.

- Unfortunately current trends show a slow yet steady decline in the overall number of employees and, when employees are dismissed, they are often replaced by temporary or casual workers, in numbers that are, in any case, lower than those dismissed.

The project 'Trade union participation in CSR' will take into account four macro-topics: transparency of information, quality of work and employability, occupational safety and health, and corporate environmental policy. It will involve five countries (Germany, Slovenia, Italy, Spain and Denmark), four companies per country, each one belonging to a different product category, for a total of 20 company cases throughout Europe.

Impacts so far

UIL-ISS has conducted an in-depth investigation of the issues, attempting, in cooperation with its European partners, to identify a useful path for the definition of standards. These can be used to identify a company's true ability to be socially responsible towards shareholders, clients and, above all, workers. Application of the methodology adopted in the ISS project has made it possible to create a network of experts that, by applying the IES 100 (social evaluation ratio), acquires specific knowledge on the social responsibility of a company and its relations with workers. Once the methodology has been tried out, the network not only provides qualified personnel, but also a beneficial and valid tool for corporate certification.

For further information

'CSR: the vision of trade unions', Rome, 15 April 2003, on the proposal of UIL's Centre of Union Studies (ISS)
www.uil.it
www.cnel.it

5.3.2.2. NIDO (Netherlands National Initiative for Sustainable Development, NL)

Carrying organisation

Economic development funds, (ICES KIS) from the Interdepartmental Commission for the Improvement of Economic Structure, especially with a view to knowledge infrastructure)

Background and aims of the initiative

The Netherlands National Initiative for Sustainable Development (NIDO) aims to take leaps forward in lasting development based on, and in cooperation with, existing programmes. For NIDO, sustainable development means creating a link between prosperity and well-being, a link between economic growth and improvement of the living environment. Sustainable development in the Netherlands needs to be further improved; therefore NIDO uses an integrated approach that assists parties with various perspectives to find each other. The combination of experience and insight of people in business, the government, social institutions and science helps to bring the issues of sustainable development closer to a solution. NIDO is interactive and consists of a small professional bureau and a group of people who, based on their expertise and experience, work on a temporary basis to provide assistance on specific themes. NIDO's programme 'From financial to sustainable performance' aims at initiating and supporting transformation processes within companies, focused on linking stakeholders' and shareholders' values. The programme's experiences and knowledge will be widely disseminated. Besides this, NIDO annually announces the 'Sprongprijs' (an invitation to submit a proposal for a NIDO programme) and facilitates the implementation of the winning programme.

For further information

Cramer J, et al, 'Learning about CSR: the Dutch experience' NIDO
www.NIDO.nu

5.3.2.3. UK society and business

Carrying organisations

UK Department of Trade and Industry (together with a number of other government departments)

Background and aims of the initiative

UK society and business aims to develop CSR in the UK. The site provides an introduction to CSR and outlines the benefits to business from social and environmental involvement. There is information on government activities, initiatives and resources as well as a discussion forum and case studies.

Concise description of the initiative

The initiative describes basic steps that need to be taken by a business as it becomes engaged in CSR, together with the support currently being provided by government for each step.

The initiative covers CSR, corporate environmental responsibility, social impact, ethical business, sustainable business, and environmental performance.

There is no specific reference to OSH in this initiative as yet, although this aspect will be added later this year. Current social priorities addressed by the initiative include adult literacy and numeracy, and encouraging investment in deprived communities.

Impacts so far (or other evaluative notions)

A number of case studies are presented, none of which focuses specifically on OSH aspects, however, one case study discusses reduced environmental impact through lower hazardous emissions, obviously with OSH implications.

For further information

www.societyandbusiness.gov.uk
www.societyandbusiness.gov.uk/pdf/csr_report4.pdf
www.societyandbusiness.gov.uk/social/adultlit.htm
www.societyandbusiness.gov.uk/social/investin.htm

5.3.3. Standardisation and certification

5.3.3.1. Certification the social dimension of CSR: principles and guidelines for a social audit (NL).

Carrying organisations

Christian Workers Union, CNV vakcentrale

Background and aims of the initiative

This initiative was started by the Christian Workers Union (CNV) with the aim to facilitate/support organisations with ambitions in CSR, especially for the 'people' dimension. As the union for worker's rights, CNV is interested in using CSR principles to improve worker's conditions. Therefore, it is important for CNV that organisations incorporate OSH issues in their CSR programme.

The goal of this initiative is to provide an instrument that supports an internal and external process for measuring and reporting an organisation's improvement in social behaviour, based on interaction with stakeholders (dialogue), called a 'social audit'. At this moment it is difficult for organisations to oversee the whole area

of the people dimension in CSR. Instruments specified for parts of the people dimension are available, but there is no instrument that covers the whole people dimension. For that reason, insight into the organisation's performance or actions for improvements is still missing. By introducing principles and guidelines for a social audit, CNV wants to provide an instrument that covers the total area of the people aspect in CSR.

Concise description of the initiative

The social audit aims at certification of the people dimension in CSR as a whole. It does not cover the 'planet and profit' dimension of CSR, although minimal standards can be requested. The social audit tries to fit with the CSR ambitions of a company and, as far as possible, it will connect with existing instruments that support (parts of) the people dimension of CSR, such as SA800, AA1000 and IIP and Great Place to Work®.

The social audit will:

- create awareness of organisational values that are important for the balance between the people and profit;
- define the values that are most important for management and employees;
- give an overview of strengths and weaknesses of the organisation's social behaviour;
- encourage organisations to formulate tangible goals and define measures for improvement (learning cycle);
- differentiate organisations based on their results on the people aspect of CSR.

Impacts so far

A global outline and principles of the 'social audit' have been defined in cooperation with NGOs and other important stakeholders. The next step is to decide upon the core values and issues that are relevant for CSR and the selection of key indicators. Further development of

the process, or the content of the certification, will take place in a foundation that will also be responsible for the certification system.

For further information

Certificering Sociale Dimensie Maatschappelijk Verantwoord Ondernemen: uitgangspunten and richtlijnen voor een Sociale Audit, Project-groep MVO CNV-vakcentrale, Utrecht (2002). <http://www.cnv.nl>

5.3.3.2. Social label (BE)



Law of 27 February 2002 on the promotion of socially responsible production, Official Gazette, 26.3.2002.

Carrying organisation

Law under the competence of the Belgian Ministry of Social Economy

The Belgian branch of the international Clean Clothes organisation is one of the organisations that took the initiative and made this law possible through intensive lobbying.

Background and aims of the initiative

The main objective of this law is to promote better working conditions and a decent salary for workers. This protection not only concerns workers in Belgium, but workers worldwide. As such, it is the production process that is aimed at by launching a social label for socially responsible production.

This label combines two criteria: liberty and uniformity.

- Liberty: all companies have the opportunity — not the obligation — to request the social label, recognising that their products have been manufactured in conformity with the legal requirements.
- Uniformity: the requirements are identical for all companies (not always the case for codes of conduct); this implies that consumers know exactly what the label stands for.

A major advantage of this label is that it calls upon the responsibility of all parties concerned:

- the company, which decides freely whether or not to adhere to the legal requirements and/or to request for the social label (accepting to be controlled);
- the Belgian State, through serious evaluations before granting the label and controlling afterwards;
- the consumer, who ultimately determines the success or failure of this system.

A concise description of the initiative

In order to obtain the label, products have to respect the eight basic ILO Conventions, including the following four main principles:

- freedom of association (to form a trade union);
- prohibition of forced labour;
- non-discrimination (gender, race, religion, etc.);
- no child labour.

The label is granted for a specific product or service and not for a company, or the whole range of its products. The Committee for Socially Responsible Production (with representatives from ministries, employers, trade unions, consumers and NGOs) advises the ministry on requests, on the control and complaints of granted labels and will recognise independent audit organisations that can investigate in the field. Every three years, a public control will take place. The law also foresees sanctions for abuse of the label.

Impacts so far

The law was published in March 2002 and no evaluations of the impact are available so far.

This Belgian initiative is internationally considered as a ‘novelty’ and several other countries are preparing a similar legal framework.

The European Commission has expressed interest in the evaluation of the national initiative before examining the possibility of introducing a similar European label.

For further information

The law was published in the Official Gazette of 26 March 2002.
www.social-label.be/

5.3.4. Reporting (external) and communication

5.3.4.1. Responsible care — Ansvar & Omsorg (SW)

Responsible care is a global programme of the chemical industry, but with a national differentiation (see also 3.2.3.7). Presented below is the example of the Swedish national responsible care programme.

Organisations concerned

Plast- & Kemiföretagen (The Swedish Plastics & Chemicals Federation) and the Federation’s member companies

Background and aims of the initiative

In Sweden, responsible care was introduced in 1991 under the name Ansvar & Omsorg. Today, some 130 companies have signed the responsible care commitment.

The Swedish Plastics & Chemicals Federation and the Federation’s member companies’ CSR-OSH synergy initiative is ‘responsible care’. It is the chemical industry’s international voluntary initiative to work with continuous improvement

in safety, health and environmental performance and includes open dialogue about the industry’s activities and results that are achieved in these areas.

The Swedish Plastics & Chemicals Federation facilitates the responsible care initiative by producing practical guides and training material. The actual work, however, is carried out individually by each company that has signed the responsible care commitment.

Description of the initiative

Responsible care rests on a common set of eight fundamental features:

- 1 The guiding principles outlined in the commitment. This has to be signed by the CEO when a company joins Responsible Care (the ten points)
- 2 Common name and logo (Responsible Care and the logo)
- 3 Codes and guides (publications, guides, etc. published by the Swedish Plastics & Chemicals Federation to assist companies to implement Responsible Care)
- 4 Performance indicators (the Federation’s Progress Report, the companies’ own follow-ups and environmental reports, etc.)
- 5 Internal and external communication (Open House, Chemicals Day, informing neighbours and the surrounding community, etc.)
- 6 Sharing of experiences (regional networks, seminars, etc.)
- 7 Efforts to motivate all companies to join Responsible Care
- 8 Verification of the Responsible Care programmes within the companies (to show that Responsible Care brings results)

The commitment that has to be signed by the company’s CEO contains 10 action points. Many of these have a direct influence on occupational safety and health.

EXAMPLE

Translation of the Swedish commitment of Responsible Care: Ansvar & Omsorg

As a member company of the Swedish Plastics & Chemicals Federation, Plast- & Kemiföretagen, (company), commits itself to make all its operations be characterised by a purposeful consideration of such claims for safety and a healthy environment, which its employees and customers as well as the general public are entitled to make.

- There should be established, at chief executive level, binding rules regarding the organisation and management of any task being related to health, safety and environmental matters.
- With the support of information and education, the company should endeavour to make employees at all levels develop a personal responsibility for health, safety and the environment, allowing that responsibility to be reflected in their daily work.
- Minimised risk of disturbances in consequence of its operations as well as minimised consumption of raw materials and energy should be important characteristics of the company.
- The current operations should be regularly and systematically assessed for the purpose both of identifying and correcting any element which may put human beings, real property or the natural environment at risk of nuisance or damage and for establishing a basis of safety-related improvements of processes and products.

- Any new process or product as well as any new information of existing processes and products should be thoroughly analysed with regard to its health, safety and environmental implications.
- The concerned authorities should be kept well informed of the operations and of their health, safety and environmental implications. Any incident entailing a risk of environmental disturbance or conflict with existing regulations should be promptly reported to the proper authority.
- Through candid and personally formulated information, the public should be acquainted with its operations as such, with the related benefits and risks, as well as with the measures taken to minimise those risks. Uncertainty and anxiety should be met attentively. Care for the safety and health of the employees and the general public should be given priority.
- Customers should be supplied with advice and instructions regarding safe transport, storage and use of its products and, when applicable, safe disposal of used products and packages.
- Suppliers and contractors should be able to demonstrate that they apply rules and routines of equivalent purport as those of the company.
- At the transfer of technology to others, the customer should be actively informed of what is required to provide a satisfactory protection of concerned public and environment.

COMPANY
Chief Executive Officer

KEMIKONTORET
Managing Director

As one tool to follow up the results, the federation each year collects data on relevant indicators of performance. These results are published annually in a progress report. The report is also available from the federation's website.

The companies also have to conduct a self-assessment of their work regarding responsible care. This assessment has to be performed every third year and must be presented to the federation.

Website address for further information

www.plastkemiforetagen.se

5.3.5. Innovative partnership: NGOs — Public and private

5.3.5.1. Anima (IT)

Carrying organisations

The association originated from the Union of Industrialists in Rome in 2002

Background and aims of the initiative

Anima sets out to promote and spread CSR philosophy among businesses and in conjunction with institutions and welfare and voluntary organisations. Its primary aim is to promote a modern business culture based on the following three concepts: sustainable development, corporate citizenship (the company's sense of belonging to its territory), and the integration of social responsibility towards stakeholders. These concepts constitute some of the elements of 'business excellence'. Anima also strives to improve the managerial professionalism of non-profit organisations, encouraging them to interact with the business world. It is connected to the 'Sodalitas' network, which brings together a number of organisations, with the aim of facilitating an exchange of experiences and the development of common synergies and of common projects and programmes.

Concise description of the initiative

To date the association has promoted a number of initiatives:

- conference: 'CSR: towards a new model of welfare', Rome, 28 January 2003;
- European CSR marathon;
- promotion of activities, products and services of cooperatives operating in the mental disorder area among member companies;
- promotion of the ANIMA award for the promotion of works in literary, film, artistic and musical fields with a high social-awareness value;
- promotion of a competition for the design of support and accommodation structures for the homeless;
- support to companies that decide to invest in cause-related marketing (CRM) initiatives (details of CRM at www.bitc.org.uk/news/news_directory/crm_20_years.html).

and, above all:

- framework agreement with the municipality of Rome within the context of the social planning scheme (24 October 2002), confirming a concrete alliance between the local business world and that of non-profit organisations. This agreement is committed to pursuing a series of common objectives (steering Rome's business world towards social and moral aims, promoting social initiatives aimed at less well-off subjects, developing research, promotion or communication projects on the social and moral responsibilities of industry, etc.). Rome was the first of Italy's major city councils to introduce the concept of CSR in a strategic instrument such as the social planning scheme.

Impacts so far

In the future, the abovementioned initiatives will:

1. spread CSR philosophy throughout Italy, adapting its principles to different local contexts, creating dialogue with institutions in order to promote pilot CSR projects, including the launch of civil servant training schemes on such issues;
2. provide concrete support to companies already actively participating in the certification process;
3. disseminate data and information on the advantages and benefits that such strategies bring to companies in terms of image, marketing and adding value.

For further information

Unedited proceedings of abovementioned conferences may be found on the website. www.animaroma.it

5.3.5.2. *Trivisi (BE)*

Carrying organisations

The Flemish Ministry of Employment and Tourism

Background and aims of the initiative

In recent years, the Flemish Ministry of Employment and Tourism has undertaken several initiatives to help companies established in Flanders to develop a policy of sustainable development. Private companies, representatives of NGOs, of social partners, of the academic world and experts participate in these initiatives, so as to give them a solid social basis. This social basis offers a platform for the development of instruments, for the exchange of information and experience, and for the building up of know-how and competence. Since the end of 2002, 14 projects have started up, focusing mainly on CSR.

Concise description of the initiative

Below are some of the 14 initiatives that, mostly indirectly, include an OSH dimension:

1. CSR: the three-fold unity 'Diversity, learning and stakeholder management': aims at the development of course material and of supporting instruments for training to promote the three Trivisi concepts: diversity in management, learning companies and stakeholder management.
2. Accompanied e-learning: development of instruments to convince companies that do not yet invest in learning to introduce e-learning, combined with other learning processes, and to develop tools for decision-making processes to determine what learning methods (or a combination) are best suited for the company.
3. Diversynergie: training in diversity: development of courses and learning processes aiming at introducing CSR in higher education for human resources management.
4. Competition: an educational game aiming at the promotion of social dialogue about competition management in companies.
5. Tools for SMEs: awareness-raising campaign and supporting initiatives aiming at facilitating the introduction of CSR in SMEs.
6. Socially responsible higher education: development of course material for higher education in the field of marketing, insurance, finance and accountancy so that all graduates have the necessary know-how to introduce CSR in their future professional activities.
7. Action learning: Two methods from artistic disciplines will be adapted to vocational training of low-skilled workers.
8. ACCÈNT2: development of a training tool (theme: people and organisation) especially for SMEs. This tool must provide a synergy between the company and the social profit environment so as to make sustainable development in the company more concrete.
9. Recognise ability: development of concepts, supporting instruments, training for companies, representatives of employers and workers, to maximise the potential competencies of disabled persons.
10. Social label manual: one company will be assisted in obtaining the social label for responsible production (see the first initiative described above). These experiences will be noted in a manual to guide companies on how to obtain the label, on what it costs and other possible issues.

Impacts so far

All 14 initiatives are currently in progress. No intermediate results have been published.

For further information

http://www.trivisi.be/frames/f_nieuwsbrief.htm
<http://www.trivisi.be/index.htm>

5.3.5.3. Business in the community (UK)



Carrying organisations

BITC is an independent charity with 189 member companies. It was set up in 1982, and is a partnership of business, government, local authorities and trade unions.

Background and aims of the initiative

BITC is an independent charity that promotes corporate community development and is committed to continually improving their positive impact on society. BITC member companies employ over 15.7 million people in over 200 countries worldwide. In the UK, members employ over one in five of workers in the private sector.

Two current initiatives are as follows.

1. The corporate responsibility index: BITC identified the need for reliable, standardised information that would enable a company's performance to be compared with that of its peers. The index has been developed to help improve performance by providing a systematic process to compare companies' management processes and performance with others in their sector. The index is based on a framework that BITC developed and is continuing to. The index provides a framework and a

benchmark for BITC members who are committed to managing, measuring and reporting their impact on society.

2. Corporate impact reporting initiative: The aim of this initiative is to support members in measuring and communicating their key impacts. As more companies produce social and environmental reports, so scrutiny of what these contain increases. 'Light on data' has been one of those criticisms. This initiative offers participants a practical approach to learning about measuring and reporting and a website to communicate that data alongside the 17 companies already reporting there. BITC advocates reporting of social and environmental performance as a valuable tool in mainstreaming and communicating CSR.

For further information

www.bitc.org.uk

5.3.6. Ethical trade initiatives (fair trade)

5.3.6.1. Clean Working Clothes (BE)

Carrying organisations

Trade unions, enterprises, consumers and NGOs.

The campaign 'Clean Working Clothes' aims at enhancing the main objective of the generic campaign 'Clean Clothes': the improvement of working conditions in the manufacture of clothing sector through respect for minimum standards, based on the ILO conventions that are mentioned in code of conduct of 'Clean Clothes'.

Concise description of the initiative

The aim of the initiative is to engage businesses and public authorities to put pressure on the suppliers of working clothes to deliver clean and

socially produced working clothes and that they support the demand for a feasibility study on the (coordination of) the control of minimum standards, organised by the ILO. The campaign also addresses suppliers directly.

Impacts so far

The campaign Clean Working Clothes started in May 2003. Workers representatives in preventive committees are asked to put the item on the agenda in September. It is still too early to give an evaluation of the impact.

For further information

Law of 27 February 2002

For further information

www.fgtb.be/

5.3.6.2. Ethical trading initiative (UK)



Background and aims of the initiative

The ethical trading initiative is an alliance of companies, non-governmental organisations and trade union organisations committed to working together to promote the observance of internationally recognised labour standards, in particular fundamental human rights throughout global supply chains. Members are committed to business ethics and corporate responsibility, promotion of worker rights and human rights in general.

Concise description of the initiative

In the late 1990s, companies selling food and clothing to UK consumers were coming under increasing pressure — from trade unions, non-governmental organisations (NGOs) and consumers — to ensure decent working conditions for the people who produce the goods they sell. Such companies typically responded by adopting a code of practice setting out minimum labour standards that they expect their suppliers to comply with.

But what should minimum labour standards cover? And how can they be implemented effectively? Many companies who adopted such codes soon found that they had neither the public credibility, nor the necessary experience and skills, to answer these questions alone. They realised they needed the backing of relevant civil society organisations, in particular of trade union organisations and NGOs with expertise in labour issues and overseas development.

With this need in mind, the ETI was set up in 1998 to bring the combined knowledge and influence of relevant NGOs and the international trade union movement to work alongside these companies in identifying and promoting good practice in code implementation.

The ETI aims to improve working conditions by promoting and improving code implementation. They do this in two main ways:

Firstly, NGO, trade union and corporate members work together to identify what constitutes 'good practice' in code implementation, and then promote and share this good practice. Good practice is mainly identified through experimental projects and research, and this is shared through publications, seminars and conferences, presentations at third-party events, and on the ETI website.

Secondly, companies are encouraged to adopt the ETI base code and implement it in their supply chains. The ETI aims to influence corporate behaviour in this regard by:

- getting new companies to join the ETI: to become a member, the company must make a public commitment to adopt the ETI base code and to implement it in their supply chain. Corporate membership has increased from 12 companies in 1998, to 35 at the end of 2003;
- requiring all corporate members to submit annual progress reports on their code implementation activities: these reports show that significant code implementation activity has taken place, and that members' suppliers are making concrete improvements to labour practices;
- evoking, where necessary, the procedure for disengaging poor performers: for companies who are not meeting membership requirements, the ETI meets with senior representatives of the company to agree an improvement plan and a deadline for implementing it. Companies who fail to implement such an improvement plan may ultimately be asked to leave the ETI.

Impacts so far

An ETI member commitment is to produce an annual report of their activities. These individual reports are not available to the public, but they are summarised in the ETI annual report, which formally records ETI progress.

For further information

www.ethicaltrade.org/Z/home/index.shtml
The reports are available from 1999 onwards at:
www.ethicaltrade.org/Z/lib/annrep/index.shtml

5.3.7. Involvement of the financial sector/financial incentives

5.3.7.1. 'Social-ethical policy' as a spearhead of the VBDO codes of conduct and sustainable development (NL)

Carrying organisations

Association of investors in sustainable development (Vereniging van Beleggers voor Duurzame Ontwikkeling, VBDO)

Background and aims of the initiative

The aim of VBDO is to represent the interests of investors in the area of CSR. As an association of investors, VBDO addresses environmental issues in companies and starts a dialogue with companies about their responsibility in CSR. In recent years, VBDO has also addressed social-ethical issues. As long as social ethical standards for measuring the performance of the company are not available, codes of conduct play an important role in making the company's efforts visible. For this reason VBDO has decided to prioritise the role of codes of conduct in CSR.

Concise description of the initiative

According to VBDO, the social aspects of CSR consist of companies' policies to guarantee safe working circumstances, healthy labour conditions and respect for human rights. Companies that lack explicit policy statements in this area are vulnerable to negative publicity. According to VBDO, codes of conduct contribute to the success of a company, especially in the long term.

Social ethical codes of conduct are an important instrument for defining, executing, and controlling social-ethical policy if they focus on:

- content and scope of the code (standards, values, procedures, roles);
- implementation of the code;
- evaluation of the compliance of the code.

VBDO advises that every code should be based on the ILO's fundamental labour standards. For the implementation of a code, a centrally managed management system is advisable with tangible goals and indicators so that internal and external performance can be measured and reported.

It is important that organisations also know that an important part of their investors (the VBDO members) have the opinion that social ethical aspects are very important. In this way, VBDO tries to encourage companies to account for the implementation and compliance of a code.

Examples of aspects with respect to content that should be available in a code of conduct are:

- referral to international guidelines — external and internal (such as the ILO);
- correspondence with existing standards (such as SA8000);
- acknowledgement of social responsibility at local level (supporting local projects);
- internal and external scope (such as suppliers and subcontractors).

In the opinion of VBDO, the most important aspect regarding a code of conduct is cooperation with unions, NGOs and other stakeholders.

Impacts so far

The association monitors continuously the environmental and social-ethical performance of organisations and makes it explicit if necessary (for example through publications). VBDO is a member of a European association that now makes use of their standards.

For further information

Jansens, K., Speerpunten sociaal –ethisch beleid VBDO; Gedragscodes and Duurzaam Ondernemen. VBDO beleidsnotitie (2000)
www.vbdo.nl

5.3.7.2. Social clauses in public procurement (BE)

Carrying organisations

The federal Belgian authorities

The federal authorities agreed in November 2001 to include social clauses in their public procurement for the construction industry.

Background and aims of the initiative

For social objectives such as employment, training and (re-)employability, it was considered that public procurement could be a useful instrument.

No modification of the existing legal framework on public procurement was found necessary, as it could be achieved by introducing social clauses in public contracts.

Concise description of the initiative

These social clauses generally aim to promote:

- employment of trainees by the successful tenderer, so as to increase their professional experience and increase their employability;
- the successful tenderer to provide training and so become an instrument of trainees' integration in the workforce.

For further information

Note for the Council of Ministers of 9 November 2001

[http://minsoc.fgov.be/socialeconomy/TEKSTEN %20VR %20PUBLICATIE/conseil %20des %20ministresfr1110.doc](http://minsoc.fgov.be/socialeconomy/TEKSTEN%20VR%20PUBLICATIE/conseil%20des%20ministresfr1110.doc)

http://minsoc.fgov.be/socialeconomy/NL/werkgroep_sociale_clausules.htm

5.4. Innovative OSH initiatives related to CSR

5.4.1. Introduction

The initiatives presented above are examples of good practice in national CSR initiatives, in which OSH and CSR elements are integrated to some extent.

It is apparent, however, that the bridge between CSR and OSH can also be built from the other side: OSH initiatives that are easily compatible with CSR, and which may contribute to the CSR performance of companies. Important criteria for selecting initiatives of this type are:

- they must be voluntary;

- the aims must go ‘beyond compliance’;
- they have to show the ‘CSR spirit’ through innovative approaches, involvement of new stakeholders, etc.;
- the initiative must refer to CSR either explicitly or implicitly.

Some OSH initiatives show CSR elements, either explicitly referred to, or where new roles for stakeholders are defined, or external social, environmental, financial (economic) goals are involved. Examples of these kinds of initiatives, which we have called ‘enriched OSH initiatives’ are presented below.

5.4.2. Overview of ‘CSR enriched’ OSH initiatives

Name of the initiative	Type of Initiative	Initiating party	Target group	Relations to CSR A: explicitly referred to CSR) B: new stakeholders involved C: external social, environmental, financial (economic) goals
European Network for Workplace Health Promotion	Network	European Commission	Companies	A, B
European Programme for high quality jobs	Benchmark programme	European Commission	EU member states and businesses	B, C
Directors’ responsibilities (UK)	Triggering management commitment	Government	Companies	B
Public reporting of health & safety performance (UK)	Reporting and communication	Government	(Top) companies in the UK	B, C
Health and Safety Management Index (UK)	Benchmarking health and Safety	Government (HSE)	Business, investors, employees, the regulator and other stakeholders	A, B, C
Ergonomic Package (AU)	Design methodology	Knowledge Centre	Company (employees)	C
Certification of work environment management system (SW)	Standardisation and certification	(Swedish board of accreditation)	Companies	A, C
Sector Covenants on Working Conditions	Voluntary agreements	Government and industrial sectors	Companies, per sector	B, C
IGM (Integral Health management) NL	Innovative partnership	Government	Companies	A, B, C

5.4.2.1. European network for workplace health promotion

See: www.enwhp.org

The European network for workplace health promotion (ENWHP)

'Healthy employees in healthy organisations' has been the vision of the European network for workplace health promotion ever since it was established in 1996. The network was initiated when the European Union adopted the programme of action on 'health promotion, education, information and training' to improve the level of health protection in Europe, where in the workplace was given an important role. Promoting employees' health has, after all, demonstrable benefits and serves the general interest in pushing forward social and economic prosperity.

Since it was established, the network has grown steadily. The ENWHP now has 23 members from national safety and health, and public health organisation from all EU Member States, the accession countries and countries of the European Economic Area. Over the past years, the network has managed to make substantial progress. It has successfully formulated a general definition of workplace health promotion (WHP) in Europe for the first time and has developed standardised criteria for good quality WHP (see below). It has also published reports that describe models of good practice from a wide variety of branches and sectors of industry. In disseminating 'good practice', the network has made a considerable contribution towards better health prevention.

'Workplace health promotion is the combined efforts of employers, employees and society to improve the health and well-being of people at work. This can be achieved by a combination of improving work organisation and the work environment, promoting active participation, and by encouraging personal development.'

Luxembourg Declaration on WHP, 1997

WHP is a modern corporate strategy that aims to prevent ill health at the workplace, to enhance health potential and to improve well-being at work. By including elements such as organisational and human resource management, WHP takes a broader dimension than traditional occupational safety and health.

Aims and tasks

The aim of the network is to disseminate workplace health promotion in the working world and to raise the profile of health at work.

The network regards the following tasks as priorities and a basis for future activities:

- increase awareness of WHP and promote responsibility for health with regard to all stakeholders;
- identify and disseminate models of good practice;
- develop guidelines for effective WHP, provide successful methods for the implementation and collect arguments for investing in WHP;
- ensure commitment of the Member States to incorporate respective policies;
- address the specific challenges of working together with small and medium-sized enterprises;
- establish national forums and networks involving all relevant interest groups, with a view to creating supportive WHP infrastructures for the exchange of information and concerted action.

Quality criteria for WHP

What differentiates 'good WHP' from 'well-meant' WHP? The quality criteria developed by the ENWHP help decision-makers within enterprises to gain a comprehensive picture of the quality of their health promotion activities. The criteria apply to the following six sectors:

Quality Criteria	Meaning
Corporate policy	WHP should be perceived as a managerial responsibility and should be integrated into existing management systems.
Human Resource Management and Work Organisation	The Human Resource Management and the work organisation should take the skills and abilities of the staff into consideration in promoting health at work.
Planning and communication	Successful WHP is based on a clear concept which is continually reviewed and improved and is communicated to all staff.
Social Responsibility	Successful WHP depends on the way organisations meet their responsibilities in dealing with natural resources, and on the support it gives to health promotion initiatives in local, regional, national or supranational level.
Implementation	Successful WHP requires integrated and systematically implemented measures to create healthy working conditions and to encourage healthy behaviour.
Evaluation	A number of short, medium and long-term indicators can be used to evaluate the success of WHP, such as customer and employee satisfaction, motivation, sickness levels, accident rates, staff turnover and productivity.

For further information

A range of relevant publication can be ordered free of charge at the ENWHP Secretariat, BKK Bundesverband, Kronprinzenstrasse 6, D-45128 Essen, Germany, or can be downloaded from the ENWHP website: www.enwhp.org

5.4.2.2. European programme for high-quality jobs

EU strategy on high quality jobs and living standards

In June 2001, the European Commission adopted a plan aiming to raise the quality of EU jobs and living standards, which was supported by the European Economic and Social Committee (representing various players from the European organised civil society). The strategy aims to create an environment for better-paid, better-skilled, safer and healthier jobs, as well as better access to jobs and better social provision. The aim is to benchmark, within the EU, the quality of jobs and related living standards. Quality is regarded as the heart of the concept of Europe and the European social model and it reflects common aims, including the active promotion of rising standards and ensuring a more equitable sharing of progress. Quality of jobs,

training and social dialogue is seen as a productive factor, not a cost factor when the economic, employment and social policy mix is right.

The intention is to measure 'job quality' by means of two broad groups of indicators:

- job characteristics (such as, job satisfaction, remuneration, non-pay rewards, working time, skills and training prospects, job content, correspondence between job characteristics and employee characteristics); and
- work environment and labour market characteristics (that is, gender equality, health and safety at work, flexibility and security of employment, access to jobs, work/life balance, social dialogue and worker involvement, diversity [older employees, disabled, etc.], and non discrimination).

The benchmarking will be followed up by activities to promote the improvement of job quality and living standards, and to broadly use 'lessons learned' from various organisations and countries.

For further information

http://europa.eu.int/comm./employment_social/news/2001/jun/152_en.html

http://www.europa.eu.int/comm/employment_social/publications/2003/ke4702406_en.pdf

5.4.2.3. Directors' responsibilities (UK)

Carrying organisations

The Health and Safety Commission and the Health and Safety Executive

Background and aims of the initiative

The initiative arose from action point 11 of the revitalising health and safety strategy statement which states: 'The Health and Safety Commission will develop a code of practice on directors'

responsibilities for health and safety, in conjunction with stakeholders. It is intended that the code of practice will, in particular, stipulate that organisations should appoint an individual director for health and safety, or responsible person of similar status.'

The aim of this initiative is to encourage board members of all companies in the UK to commit to the proper management of corporate risks to occupational health and safety. In order to do so, they must demonstrate that direction and leadership on health and safety is provided from the top of the organisation, and this must be apparent to all within the organisation and external stakeholders.

Background information 'Revitalising health and safety' programme

The government's and Health and Safety Commission's strategy, 'Revitalising health and safety', launched in June 2000 set national targets for health and safety including a 30 % reduction in working days lost from work-related injury and ill-health by 2010. Full details of the 'Revitalising' targets are set out on the HSE website: www.hse.gov.uk.

These national targets have been set to:

- give new impetus to health and safety improvements by all stakeholders;
- prompt new approaches to reduce injuries and ill-health caused by work;
- ensure that our approach to health and safety regulation remains relevant for the changing world of work;
- encourage maximum benefits to be gained from links between occupational health and safety and other government programmes.

'Revitalising health and safety' sets out a 44-point action plan. There are specific actions contained in the plan designed to promote greater boardroom and director responsibility for ensuring risks to workers' health and safety are properly controlled within their organisation. Top UK companies have been called on to publish details of their health and safety policies, goals and performance in their an-

nual reports commencing 2002. The HSC has published guidance in support of this initiative, which sets out recommendations concerning coverage of health and safety reports. The publication of reports on health and safety activities and performance demonstrates to all stakeholders that company's commitment to the effective management of health and safety. The HSC has published guidance too concerning the health and safety responsibilities of directors. The guidance sets out the benefits to the organisation and stakeholders that the active management of health and safety risks will bring. The guidance sets out too the actions that boards of directors should take to ensure their health and safety responsibilities are properly discharged.

Research undertaken by HSE (published in May 2002) identified 60 % of FTSE 100 companies publicly reported on health and safety in their 2001 reports — this compares to 47 % in 1996.

HSE is undertaking research to establish the baseline of current practice concerning board and director responsibility for health and safety across the private, public and voluntary sectors. The research will assess how much boards' and directors' behaviour has changed concerning health and safety and to what extent the drivers for greater corporate responsibility have influenced change. HSE research reports on these topics are published as they become available on the HSE website referenced below.

<http://www.hse.gov.uk/revitalising/csr.pdf>

Concise description of the initiative

At the launch of this initiative, the Health and Safety Commission issued guidance entitled 'Directors' responsibilities' which advises directors on a voluntary basis what they should be doing to ensure the proper management of health and safety in their company. One of the key facets of the guidance is that a health and safety 'champion' should be appointed at board level, and that person should then take on responsibility for ensuring that health and safety is addressed at board meetings, etc.

This initiative directly feeds into the core notion of CSR. Directors are being encouraged to take direct responsibility for the health and safety of their own employees and of those that may be affected by their activities, as made clear in the Turnbull report, and to see that this is not something that should be delegated as an operational matter. It forms part of their responsibilities and will harm their business if not properly managed. The guidance also sets out the business case and the benefits that such effective management will bring to the business.

Impacts so far

A baseline survey was undertaken in 2001 to establish the arrangements in place in companies with regard to board-level responsibilities. The survey revealed a wide awareness of the HSC guidance, and a variety of different arrangements for the management of health and safety. For example, local authorities reported the highest level of delegation for responsibility for health and safety, whilst the top 350 firms are more likely to have a board-level person responsible for health and safety.

Initial findings from the follow-up research demonstrate that awareness and the variety of arrangements have not changed to a huge degree. However, the results indicate that there is now less delegation of health and safety.

This research will be presented to the Commission in due course, who will advise ministers on the success of the voluntary approach.

For further information

Directors' responsibilities for health and safety (see website below)
The website address for further information: www.hse.gov.uk/research/rrhtm/rr135.htm.

5.4.2.4. Public reporting of health and safety performance by 350 of the top companies in the UK (UK)

Carrying organisations

The Health and Safety Commission and the Health and Safety Executive

Background and aims of the initiative

The initiative arose from action point two of the revitalising health and safety strategy statement which states: 'The Health and Safety Commission will promote publication of guidance, by March 2001, to allow large businesses to report publicly to a common standard on health and safety issues. The government and the Health and Safety Commission challenge the top 350 businesses to report to these standards by the end of 2002.'

The aim of this initiative is to encourage the top companies in the UK to report openly on their health and safety performance. This is underpinned by the key belief of government, HSC and others that public reporting of key health and safety issues make a significant contribution to the goal of more effective management of risks to workers' health and safety. It is also believed that reporting in this way will encourage companies to improve their performance and will allow them to benchmark to some degree with their competitors.

The initiative also focuses on the inclusion of the material in the annual reports of the com-

pany. This is to both feed and stimulate shareholder interest in the issue, in the belief that shareholders will then be more able to act if they are not satisfied with a company's health and safety performance.

Concise description of the initiative

In March 2001, the chair of the Health and Safety Commission (HSC) and the Secretary of State challenged 350 of the top companies to report publicly on their health and safety performance. At this point, guidance was issued by HSC on what information companies should include in their annual reports. After initial responses were received, the chair of the Commission, the director-general and deputy director-generals began to meet with board members of the top companies to put forward the case for reporting, and to receive feedback on the guidance issued. HSE received over 130 responses to the challenge, and the chair, DG and DDGs have met with over 55 companies to discuss the issue of reporting.

Reporting on social and environmental concerns figures large in the CSR debate. Health and safety is clearly included in these concerns, and the movement towards greater disclosure and reporting may well be an effective lever to improve the performance of large companies, as outlined above.

Impacts so far

A baseline survey was undertaken in 2001 to establish what the level of health and safety reporting was in 2000. The report revealed that only 47 % of the top 350 companies were reporting on health and safety in 2000.

Follow-up research only recently completed and not yet published demonstrates that this figure has increased dramatically. Some 77 % of the top 350 companies now report on health and safety, and a staggering 91 % of the FTSE 100.

For further information

Health and safety in annual reports
A study of the provision of health and safety information in the annual reports of the top UK companies (see website below):
www.hse.gov.uk/research/rrhtm/rr134.htm.

5.4.2.5. A health and safety management index for use by business, investors, employees, the regulator and other stakeholders

Carrying organisations

The Health and Safety Commission and the Health and Safety Executive

Background and aims of the initiative

This initiative arose from a research report entitled 'Health and safety indicators for institutional investors'. This report recommends the development of an performance management index which could be used by a variety of groups with interest in the health and safety performance of either individual or groups of companies.

The aim of this initiative is to allow investors, insurers and others to take health and safety performance into account when making a business decision. It would also allow companies to effectively benchmark against each other, and for employees to judge how well their company is doing. Through the questions asked to gain the information needed for the index, it is also possible to disseminate good practice, and it is believed that the index will also encourage company boards to take health and safety more seriously and instil a sense of competition.

Concise description of the initiative

The index is currently being researched and piloted with a range of companies and public organisations by external contractors. Once the process is complete, the findings will be presented to the Commission, who will set the direction for the index.

Indices have become highly popular within the CSR debate, with such headline examples as the FTSE4 GOOD and the business in the community CSR index. It is hoped that, in time, this index will become another accepted measurement of companies' socially responsible practice.

For further information

Health and safety indicators for institutional investors (see website below).

www.hse.gov.uk

www.hse.gov.uk/research/chaspi.htm

5.4.2.6. Ergonomic package (AU)

Carrying organisations

OH Centre, Human-ware GmbH., AUVA – General Worker's Compensation Board

Background and aims of the initiative

One of the main responsibilities of the Baxter OH Centre is to achieve a balance between the demands placed on people and their capabilities. The Baxter Bioscience slogan for customers is: 'Life. Made better', while the slogan for team members is: 'Work. Made better'. The purpose of the ergonomic training programme is to make employees aware of ergonomic issues, give them background information and to obtain in this way many improvements in the company. The certificated so-called 'ergo guides' should get the appropriate knowledge to evaluate workplaces and workplace situations to control hazards in order to:

- reduce the physical and mental stress associated with a given job;
- increase comfort, health and safety within the work environment;
- enhance productivity;
- reduce human errors associated with a task;
- improve the quality of life.

The goal is to reduce the human costs associated with inadequately designed workplaces, work processes and work environments. The ergo guides carry their knowledge into EHS circles (EHS = environment/health/safety) and involve their colleagues and managers in this process.

Concise description of the initiative

Ergonomics should be an integral factor in design and development of all processes, jobs or tasks. Therefore, the Baxter OH Centre wants to implement ergonomic training for employees to ensure that each location and special departments like purchasing, IT support, etc. have their own 'ergo guide' to promote an ergonomic programme and to prevent non-ergonomic work conditions. An added benefit of ergo training is that individuals carry these positive ideas to their home life and often they also improve their private environment.

The cooperation between Human-ware and AUVA was valuable, and worthwhile training could be offered with knowledgeable external experts. Before training started, many meetings were held and several site visits were made to get detailed information (photos, interviews) about the situation so that employees could be trained in practice on existing ergonomic risks.

Impacts so far

The degree of involvement depends on the individual's role and responsibilities, but there have been tremendous improvements during the last two years since the beginning of the training programme. Two special ergonomic projects, which were initiated by ergo guides, could achieve a so-called 'QLP award' which means, not only an improvement in ergonomics, but also an improvement in quality.

Ergonomic issues are dealt with in each EHS circle. A lot of ergonomic improvement ideas have

been applied for internal recognition (so called Baxter IDEE programme).

For further information

Sichere Arbeit 5/2002, www.sicherearbeit.at
Ergonomie zum Mitdenken und Mitmachen

5.4.2.7. Certification of the working environment (SW)

Carrying organisations

Swedac — the Swedish Board for Accreditation and Conformity Assessment

Concise description of the initiative

Companies may be accredited following Swedac's provisions STAFS 2000:9 to assess the working environment management system of an organisation. The assessment refers to the provisions of the Swedish Work Environment Authority on systematic work environment management, AFS 2001:1. To date, about 50 organisations' management systems have been certified.

There may be many different reasons for a company wanting to be certified according to STAFS 2000:9. Often, the company has already been certified for their quality work according to ISO 9000, or for their environmental work according to ISO 14000. Then, the company wants to add certification specifically in the area of work environment, and in this way be able to coordinate the three management systems.

Furthermore, work environment certification is often a way of showing staff 'that you care', it may make it easier for the company to recruit new staff, and it can be used in their marketing activities.

For further information

[www.swedac.se/sdd/System.nsf/\(GUIview\)/index_eng.html](http://www.swedac.se/sdd/System.nsf/(GUIview)/index_eng.html)

5.4.2.8. Integral health management (NL)

Carrying organisations

Dutch Ministry of Health

Concise description of the initiative

In 2002, the ministry initiated a number of activities to stimulate companies to manage the impact of business activities on public health (including occupational health), called integral health management. The first external activities were a definition study and the development of a methodology for companies; these were carried out by TNO and NIGZ. Two broad stakeholder meetings were held as part of this trajectory.

One of the conclusions was that health at work should be much more closely associated with productivity and the presence of fit and motivated workers, than with diseases, sickness absence and all kinds of associated problems. Most health activities focus on specific health aspects for special target groups, and this is likely to create sub-optimisation. The time seems right for an integral approach and a focus on (primary) prevention. A methodology has been developed, building on experiences with occupational safety and health management, workplace health promotion, human resource management, disability management, and quality management principles. Several pilot projects are planned to test and further develop the methodology for integral health management.

The main reference

Zwetsloot G.I.J.M., R. Gründemann and L. Vaandrager (2003, red), Eindrapportage Integraal Gezondheids Management – Definitiestudie and Methodiekontwikkeling, TNO Rapport 14669/ TNO Arbeid i.s.m. NIGZ, Hoofddorp.

www.arbeid.tno.nl/perskamer/files/tan_november_2003.pdf

5.4.2.9. Sector covenants on working conditions

Carrying organisations

Dutch Ministry of Social Affairs and Employment

Concise description of the initiative

In 1999, the ministry started to invite sector organisations to develop voluntary sector agreements on working conditions (covenants) with specific industrial sectors (both employers' organisations and unions). Some sectors were actively stimulated to join by the government, whereas others joined on their own initiative. By January 2004, covenants had been contracted with 50 sectors, covering approximately 70 % of the Dutch working population. Usually a covenant is a contract for about four years. The government has invested about EUR 80 million in these covenants (mostly for subsidising measures and programmes) while the industry has invested about EUR 200 million. The focus is on the implementation of specific measures for important risks in the sector and all related issues the sector finds useful. At the start of a covenant period, the 'zero situation' is measured, and concrete targets (for example, in terms of reduction of workers exposed to certain risks, or percentages of workers protected by specific measures) are defined for improvement. Government and social partners monitor the progress achieved and at the end an evaluation study will be made.

A first result is that the social dialogue at sector level on health and safety at work has intensified. Funds for investment in improvements became available in unprecedented amounts. Substantial increases in improvement measures, but also in terms of reduction of sickness absence and reduced generation of disabilities,

have been achieved (from a scientific point of view, there were other factors that may have contributed, namely economic recession and new legislation for the prevention of disabilities: the so-called 'gatekeeper' law). Currently, a major challenge is to assure the improvements endure after the covenant period, and to build a basis for future progress on health and safety in a period without covenants and subsidies. www.arboconvenantenhetbeterewerk.nl

5.4.3. Discussion points on integration of OSH and CSR during the project working group

The project partners discussed how to find synergy between OSH and CSR. The reviewed initiatives had provided a picture of the state of the art of CSR in the OSH world and in looking for synergies between OSH and CSR, the following points were discussed:

- what in the CSR initiatives may inspire the OSH communities?
- what are good examples of OSH initiatives that are compatible with CSR initiatives?
- what is needed to bring OSH higher up the agenda in the CSR arena?

CSR inspiration for OSH from CSR initiatives

CSR is seen as an opportunity for an integrated approach to OSH and most partners agree that CSR stimulates OSH in a broader perspective. Moreover, CSR gives the possibility to take OSH issues beyond simply compliance with legislation. Also, influenced by CSR, the relationship with 'corporate image' becomes more evident. This leads to a more natural combination of ethical and economic/commercial motivations, which extends the implications of CSR and OSH actions in the longer term. The positive presentation of CSR is inspiring for OSH and of course in the OSH world there are already developments in which the issues are presented more positively. However, there is still a lot that can be

learnt from the strong link between CSR and the implications for the organisation's image.

Good examples of OSH initiatives compatible with CSR initiatives

There are initiatives that are directed at issues beyond the workplace such as work/life balance. Likewise, there are good examples of initiatives with an internal focus, looking at human resources (for example, sports programmes for employees to motivate healthy employees), focusing on work processes or worker participation, transparency and involvement, or giving responsibility to people regarding worker safety and health. Another group of initiatives is based on extending the principles of the company to other companies in the supply chain.

What is needed to bring OSH higher up the agenda in the CSR arena?

The need to harmonise instruments, methods and vocabulary was emphasised during the discussions. OSH and CSR executives need to speak the same management language and one way to do this is to make explicit the role of OSH within CSR, for example by integrating OSH in the social, environmental and/or economic activities.

Some examples show how new stakeholder involvement can 'pull' companies to become more aware of OSH issues. There is a successful example, in which the participation of schools, especially the schools of the manager's children, has helped to make local industry more aware of OSH issues. There are also examples in which the wives of a professional group are involved in creating awareness. Raising awareness among fishermen's wives of occupational safety risks has been shown to have a positive influence on the behaviour of the fishermen themselves. Communication and participation of family members, local schools, consumers, artists and others, are typical examples of the involvement of the 'new stakeholders'.

The next step to be taken is the stimulation of dialogue between CSR and OSH 'responsibles'. This is not the time for how-to recipes; first it is time for discussion and creating new ideas. This dialogue can start by emphasising the inspiring aspects of CSR, making OSH more visible by communicating the good initiatives and learning to speak the same language.

6.



ANALYSES

6.1. Analysis at company level

The analysis presented in this report is based on the 11 cases described in Chapter three, the examples of companies involved in CSR.

Most companies known to be involved in CSR are large companies. Large companies, and especially multinationals, usually have greater interest in profiling themselves as CSR active companies, as a greater variety of stakeholders is interested in their activities. However, this report aims to describe cases of SMEs involved in CSR. A number of cases concern large companies; nevertheless, the cases (Anne Linnonmaa, Acroplastica, Happy Computers, Moonen and

Voerman) show that small or medium-sized enterprises can be very actively involved in CSR as well. Furthermore, a common characteristic seems to be that CSR practising companies are usually very innovative. It appears that, on the one hand, these companies practise CSR because they are innovative and, at the same time, these companies see their CSR-related activities as key for remaining innovative companies in the future.

6.1.1. Communication with external and internal stakeholders, transparency and reporting

Communication with stakeholders is essential for CSR. As the CEO of Happy Computers states, 'We believe those companies that will succeed in the next decades, will be those, whether large or small, who serve the interests of all those they work with'. In Van de Velde, external pressure from NGOs triggered the CSR strategy and, as a consequence, communication with those stakeholders is an inherent element in their CSR initiative.

Communication with stakeholders is also essential for safety and health at work, but is often limited to workers and/or their representatives (and on a policy level to the social partners and governments). In contrast with the OSH community's extensive experience in dealing with these specific stakeholders, companies that practise CSR put relatively greater effort into external reporting, as they want to have a positive external impact. Safety and health at work are usually part of such reports, but only a small part.

In CSR, external reporting of the company's social, environmental and economic performance and activities is essential and a prerequisite is that these activities and performance are transparent inside the company. Therefore, a good balance between communication and involvement of external and internal stakeholders seems very important for CSR. In this respect, the

experience of the OSH community in internal communication and participation should be very relevant for the further development of CSR.

Otto retailing group gives an example of an unconventional method for employees' education and involvement with stakeholders by the 'changing sides' initiatives, whereby managers are seconded to spend a week in a social project such as a drugs advisory bureau or a home for mentally or physically handicapped people. This gives managers an insider's experience of the external bodies and actively contributes to achieving the company's goal of social responsibility. At Happy Computers, innovative learning experiences are part of the company's business and, at the same time, give more meaning to the communication with customers and stakeholders.

Suppliers (including from overseas) form a specific group of stakeholders. For companies operating internationally, CSR entails social considerations, including health and safety in the company's suppliers.

Several companies' practise openness and honesty in external communication to a very high degree, for example, Happy Computers fully discloses the results of external evaluations, including details of both strengths and weaknesses on their website.

Volkswagen also sees external communication as a key issue in CSR, and therefore sponsors the CSR Europe campaign: 'Improving communication and reporting on corporate social performance'.

6.1.2. Corporate vision on CSR

It is interesting to note that in a number of the cases (Anne Linnonmaa, Happy Computers, Moonen, Van de Velde, Voerman, and to a lesser extent in some others, API Refinery, Otto Retailing, UPM-Kymmene and Volkswagen) CSR is not separated from the core business of the

company, but expresses itself in the very nature of the business (Anne Linnonmaa) and/or in the way the core activities are 'company-coloured' (Api Refinery, Happy Computers, Moonen, Voerman, Otto, UPM, Volkswagen). This unique aspect expresses itself in the company's products and/or services, thereby increasing visibility, not only for the workers and for potential employees on the labour market, but also for customers and consumers, and also for other stakeholders such as governmental organisations and NGOs.

Ethical motives from the company board can play a role, as can the personal inspiration of the company owner or CEO (Acroplastica, Anne Linnonmaa, Api, Happy Computers, Otto, Moonen, Voerman, Volkswagen). In this way, the company's activities distinguish it from the activities of other companies in the same sector and this gives them a competitive advantage. The external 'image-related value' of their products and/or services, requires good communications with all stakeholders (externally and internally) and transparency.

In these cases CSR blurs the distinction between the impact of products and services on the one hand, and production processes on the other, and takes into consideration the impacts on all stakeholders. These impacts strengthen and confirm each other, as in the case of Happy Computers, whose corporate mission starts with: 'our business is that of empowering people to reach their full potential in their work.'

This is different from the traditional way of looking at safety and health at work. OSH usually focuses (or is limited to) the impacts of the production processes on the workers. Product safety or products' health impacts are regarded only as relevant for OSH in so far as the products are intended for professional use.

Some companies have made their corporate mission or values more concrete, and translated

these into company principles. Happy Computers tries to live up to five principles: empowering people, excellent services, customer satisfaction, innovation, and stakeholder enjoyment. In various ways, several other companies are doing similar things, such as Van de Velde.

As a result, these companies become an employer of choice and employees recognise the extra value: it contributes to the meaning of their work. They can be proud to work for this company and on the company's products and, as a result, the relationship between the company and the employee becomes a long-term relationship. A clear example is Moonen, where the company's philosophy is not to offer people a job, but a career. Therefore, it is not only worthwhile for the companies to invest in their personnel, but they really are their greatest asset. As a result, the company also feels responsible for the people if they have the bad luck of, for example, getting a health problem.

These CSR-practising companies also have a clear interest in safety and health at work in that poor performance in this area may spoil their image and would therefore pose a direct threat to the continuity of their businesses. In addition, they are often involved in social accountability, taking responsibility for the wider impact of their business activities. This includes via suppliers, and in developing countries (Acroplastica, Angelantoni, Otto, Van de Velde) and covers health and safety at work in other parts of the world. In an even broader perspective, this is also the case at Anne Linnonmaa.

A further observation is that CSR companies have positive aims that trigger activities and are also used to evaluate them. Examples include sustainability, social acceptance, servant leadership, development of new business, the creation of new markets, inspiring and attractive products and services, a happy company, health promotion, the enjoyment of stakeholders, and being the employer of choice. In a natural way, the

positive aims imply that (potential) negative impacts must also be managed (risk management).

The main advantages of positive aims are:

- they do not stem from external motivation (legislation) but from internal motivation, leading to a sense of 'ownership';
- inspiration and enthusiasm (of individuals and stakeholder groups) are much more easily generated by positive aims compared to risk reduction strategies;
- risk reduction strategies seem to lose their relevance when performance has been improved, and risk levels are low. As a result, risks may easily increase again and require new activities. In this way the often-quoted aim of 'continuous improvement' may become problematic. A positive aim is a much better trigger for continuous ⁽⁴⁾ improvement.

Positive aims are not very widespread yet in the safety and health at work area, where compliance to legislation and risk control are often dominant triggers for OSH. Positive examples are, however, health and safety promotion, the high-quality jobs initiative, and the increasing use of terms like sustainable jobs, sustainable workplaces, sustainable labour, etc.

6.1.3. Implementation of CSR

Top managers of a company manage the implementation of CSR and regular management reviews are an important management tool in this respect (Angelantoni). Participation in a CSR network of companies to exchange best practices and experiences is another way of getting feedback on the company's decisions.

To steer the implementation in the right direction, several companies acknowledge the impor-

⁽⁴⁾ The subtle, but significant difference between continuous improvement and continual improvement (ISO 14000, and OHSAS 18000) is not covered here, but the observation is relevant for both concepts.

tant role of employees: Voerman states: 'good working conditions are a vital prerequisite for implementing new (ethically inspired) business principles'. While Otto states: 'it is a priority to have satisfied and healthy employees', for Happy Computers, empowerment of their people is one of their five core principles. The underlying idea is that 'people can perform at their best, where they feel good about themselves'. Moonen sees 'trust and being trusted' as the vital value for the company (for Moonen this refers not only to internal relationships, but also to the relationship with customers and suppliers).

Regular employee surveys can monitor the outcomes in this respect, and are used by Angelantoni. Specific budgets for items like safety and health can be part of the implementation process (Acroplastica). Specific professionals (for safety and health at work, environmental issues, etc.) can also contribute to good implementation of CSR and related topics.

A strategic decision may concern the redefinition of internal procedures and work processes (Angelantoni). The use of management systems also implies monitoring programmes for improvement and generates management information (Acroplastica), while written guidelines (Acroplastica), and guidance and support for employees in the field (Voerman) may be needed to translate this information for employees. Safety and health issues can also be addressed in a broader setting, for example work–life balance (Happy Computers).

A range of methods and tools can be used in the implementation process. Concrete programmes on many sub-items, for example the 50 + programme for older employees at Voerman, can make CSR tangible for everyone in the company. The same is true for motivational programmes (Voerman) and educational programmes in general (Happy Computers). Intranet forums can support CSR implementation (Acroplastica), etc.

6.1.4. Innovative methods and tools

Examples include a formal agreement with external stakeholders (Api with local authorities); participation in innovative partnerships (for example, Global Compact, UPM-Kymmene); the introduction and deployment of a code of conduct (Api, Otto); the regular use of social audits (Otto) that can be carried out by internal auditors, but also by third parties — associated with a certification process. Happy Computers practise their regular 'happy check', while at Moonen their early morning coffee hour serves as the way to keep trust, and have personal attention for all their employees.

For Volkswagen, a company with a long social tradition, it is important also to innovate with respect to the social agreements within the company. An example is the modernisation of their remuneration system, as is the innovative time asset bond (a financial and organisational provision for an overall working life while at the same time providing a fund for securing employment in the future). Another social innovation from Volkswagen is the '5 000 model', which offers 5 000 additional workplaces with a monthly income of EUR 2 500 and creates new industrial employment in Germany.

Finally, awards and prizes are attractive for companies to distinguish themselves from their competitors, and to generate positive coverage in the media (Api, Happy Computers, Moonen, UPM-Kymmene, Van de Velde).

6.1.4.1. The relationship with existing management systems

In two Italian cases (Acroplastica, Angelantoni), CSR seems not to be directly related to the company's products and services, but rather to the local company impact. Internal items, such as safety and health at work and human resource management, are linked with local external items such as requirements from local environmental authorities, active communication with

the local community, etc. (licence to operate). The role of management systems for safety and health, environmental management and quality management is prominent. Third party certification often confirms voluntary compliance to management system standards (such as ISO 9000, 14000 and OHSAS 18000). For internationally operating companies, the implication is that management systems are implemented at all sites in different parts of the world. Employee satisfaction is seen as a very relevant indicator in many of these CSR-practising companies (Happy Computers calls it: a regular 'happy check').

In some cases, CSR does not necessarily impact on the definition of the company's core business, but rather impacts on the way the company actually operates at its locations.

Rational approaches (the management systems with their Deming-cycle: 'plan-do-check-act') and risk-management predominate in these cases. A change in company values and/or company culture can be a positive by-result, but the approaches can also be mainly limited to procedural control of activities and behaviour. Usually, this generates less enthusiasm and inspiration, and the impact on the company image is limited ⁽⁵⁾. On the other hand, these activities make the companies less vulnerable to external criticism, for example from NGOs, and also greatly improve the relationship with local authorities, while improving safety and health at work (but not necessarily including mental health).

6.1.5. The added value of CSR, also in relation to safety and health at work

CSR addresses issues that are strategically important for a company, as stated by Volkswagen: 'social responsibility functions as the en-

gine for value-added processes'. Therefore, CSR influences the company's value (on the stock market), and may contribute to generating new business, creating new markets and producing products with a unique added value. It may also help to safeguard the company's licence to operate; it impacts on corporate governance, fosters a better relationship with strategic customers and helps to get positive free publicity, etc. As a consequence, CSR is a top management item, not only by words, but also in day-to-day reality.

It is arguable that this is not often the case with safety and health at work. OSH does not usually impact on 'big business decisions'; it is rather a boundary condition when making such decisions operational. It is therefore a challenge for the OSH community to make a clear connection with CSR initiatives at company level and, in this way, the strategic importance of CSR may strengthen OSH.

In some cases, a company is also valued positively by rating systems for socially responsible investments (e.g. Acroplastica, van de Velde, Volkswagen), which gives them an advantage in their relationship with financial institutions.

6.1.6. Processes or organisational and societal learning

Compared with traditional management strategies, CSR requires a change in thinking and acting, both on the part of managers and employees. A CSR-inspired staff development scheme is a way of implementing this (Angelantoni), while training programmes seem to be vital for every company.

From a communication point of view, regular dialogue with (external) stakeholders (UPM-Kymmene) can be important, while internally, open communication can be stimulated by an open-door policy (Angelantoni). Regular CSR staff meetings (Angelantoni, Happy Computers, Moonen) and regular management reviews

⁽⁵⁾ One of the main aims of the responsible care programme of the chemical industry is to greatly improve the public image of the sector. A recent CEFIC survey showed, however, that the chemical industry still has made little progress in this respect.

(Angelantoni) create opportunities for organisational learning.

Otto retailing group's 'changing sides' initiative, described earlier, is based on the idea that somebody who 'changes sides', has to reorientate, and get to grips with a new situation. As a result, crucial skills such as empathy and communication in difficult situations are strengthened. Changing sides also sensitises managers to social problems, helps to overcome prejudice, and actively contributes to social responsibility.

For Volkswagen, the promotion of and demand for continuous learning must be understood as an outstanding characteristic of CSR, especially with respect to IT competencies.

6.1.7. Ten questions and statements for debate

The observations presented above, give rise to a number of challenging questions; they are not meant rhetorically, but rather as input for critical self-reflecting debate in the OSH community.

1. How can ethical considerations become equally important for companies with respect to OSH, as compared to CSR?
2. Can the management of the social impact of products and services (both internally and externally) give a new impetus to safety and health at work? Should the link with public safety and public health be strengthened? Should safety and health at work have a wider meaning than occupational safety and health?
3. Can external stakeholders play a greater positive role in stimulating safety and health at work?
4. As safety and health at work seems to become increasingly interlinked with human resource management ⁽⁶⁾ and other social issues, can this link strengthen the case for OSH?
5. What can be done to stimulate more voluntary initiatives (stemming from internal motivation) in the OSH area, as a complement or alternative for legislative requirements?
6. How can OSH become more closely associated with positive company goals, (such as health promotion, increasing productivity, business excellence, etc.)?
7. What do we know of indirect company benefits from OSH (such as greater attractiveness to the labour market, contribution to company image, etc.) and how can we quantify these benefits, how can we increase them, and how can we make them more tangible?
8. How can it be ensured that OSH is not reduced to an operational aspect of CSR? (Leaving the strategic decisions in other arenas). This poses the risk that policy makers, top managers, and CSR experts, without adequate involvement of OSH professionals, make major decisions affecting OSH.
9. What career opportunities for OSH professionals are raised by the rise in CSR initiatives? What new competencies for OSH professionals are vital for playing a role in the development of CSR? What can be done to help in-company OSH professionals to strengthen their role in the company's CSR policies?
10. What innovative methods and tools can the OSH community adopt from CSR activities (such as codes of conduct, innovative part-

⁽⁶⁾ Compare with the European Commission's initiative for an EU strategy for long investment in high-quality jobs and living standards; this policy covers both job characteristics (i.e. job satisfaction, working time job content) and working environment and labour market characteristics (i.e. safety and health at work, gender equality, work/life balance, social dialogue and worker involvement, etc.).

nerships, unconventional methods for management development, etc.)?

6.1.8. Some suggestions for further research

An exploratory project often generates more questions than answers. As one of the results of this study, 10 issues for debate among stakeholders were mentioned in the former section. There are also, however, other relevant issues that require further research. Some are mentioned below that came up during the project, or in the comments of the focal points on the draft final report:

- How does a company's dialogue with stakeholders influence social dialogue between the employer and the representatives of the employees?
- What is the actual impact of CSR on safety and health at work, and vice versa? (This could be investigated by a survey among a representative sample of companies; it cannot be answered based on a set of case studies).
- How do cultural differences among (European) countries influence the conceptualisation and implementation of CSR? What does this imply for its relationship with safety and health at work?
- How can health and safety at work get more attention in the mass media? How can safety and health improvements contribute to corporate image on the labour market and the market for products and services?
- Under what conditions can NGOs stimulate safety and health at work? What are examples of innovative partnerships between NGOs and companies that stimulate safety and health?
- How does social accountability (e.g. based on SA 8000) impact safety and health in companies in the EU Member States, and in supplier companies in developing countries?
- What are the likely interactions between voluntary CSR aspects, and mandatory aspects of CSR? What role does OSH play as a highly regulated area in this respect?
- How do employers combine their roles as responsible employer, responsible entrepreneur and responsible citizen? How are potential conflicts resolved?
- How do employees combine their roles as responsible employee and responsible citizen? How are potential conflicts resolved?

6.2. Analyses of changes in the context of organisations due to CSR

The analyses of the context of organisations, is based on the initiatives listed in Chapter 4.

6.2.1. What is new in CSR regarding policy initiatives?

The list of European, global, as well as national, initiatives show a wide diversity in, for example, instruments, originating parties and target groups. The OSH content ranges from only implicit attention to OSH, to strategic and explicit OSH activities. Originating parties include governments, social partners and businesses themselves. Target groups are mostly (groups of) companies, branches and also groups related to the production life-cycle, such as investors, customers, experts, non-governmental organisations (NGOs), other stakeholders and even 'society at large'. The question in this analysis is 'what is new'. The most apparent innovative aspects are described in the following sections.

6.2.1.1. Stakeholder involvement

The initiatives show us a broad variety of involved stakeholders. Except for the more traditional stakeholder such as governments and social partners, other parties like NGOs, experts, suppliers, customers and investors are mentioned. For example, the British 'business in the community (BITC)' initiative targets business,

government, local authorities and also trade unions. Another example is the international global compact initiative, which is oriented towards companies, international labour and civil society organisations and UN agencies. These players are mostly new in the field of OSH, or they are not new but do have a different role and can therefore be perceived as a threat, but also as an impulse to the nowadays set relationships between the partners. It must be said that the growing number of stakeholders and the growing attention for CSR will lead to increased complexity within the OSH area.

The pitfall of the emergence of these new players can be that OSH initiatives are increasingly implicitly taken over by others, the ILO as an exemption. A threat is that other 'new parties' may take over the position of the more traditional OSH partners, being able to put issues on the agenda instead of the OSH professionals.

6.2.1.2. New types of partnerships

Most of the types of initiatives, like awareness programmes, networks, reporting tools, etc. are not new in the OSH context. Nevertheless, in the examples in which CSR is positively integrated in OSH or vice versa, the type of initiative and their instruments appear to be more innovative. The range of stakeholders, for example, is widened (as described above), partnerships are more innovative in the way that they are not restricted to branches as used to be the case in OSH and in the use of financial incentives. Although cost-benefit analyses are increasingly well known in OSH, the involvement of external partners like accountants and pension funds would be new.

Besides partnerships between organisations, NGOs and government, there seems to be a fourth role appearing. This is the role of an independent party that facilitates the joined activities between the partners. For example, one of the aims of the Italian ANIMA project is to en-

hance the managerial professionalism of non-profit organisations, encouraging them to interact with the business world.

6.2.1.3. Visionary innovations and positive objectives

The aim of OSH is to minimise risks to health and safety in the working environment. When we look at the initiatives in Chapter 3, it is apparent that different terms are used to define the CSR aims. As described in the initiatives, the aims are: sustainability, a healthy work-life balance, creation of visions, strategic involvement, ethical performance, active participation of enterprises, improvement of the living environment, quality of life, comfort, productivity, dialogue, organisational values, effective management, promoting a modern business culture, the company's sense of belonging to its territory, business excellence management, responsibility, trust, improve positive impact on society, employability, taking H&S into account in business decisions and of course 'responsible care'.

From this list, it is apparent that risk reduction is not perceived as a core element. In CSR, aims are described in a positive manner. They are used to generate inspiration and vision, while risk reduction is a necessary condition in the realisation of these positive aims.

6.2.1.4. Private initiatives

Notable in CSR are the voluntary private initiatives (e.g. the business networks) and the personal involvement of CEOs. Initiatives are apparently started up because top managers recognise that CSR is in their organisation's interest. The responsible care initiative, for example, has the explicit aim of doing more than US law requires. Also the companies connected to global compact, Uniapac, EFQM CSR or the fair trade federation, have objectives that go far beyond legal requirements. The external orienta-

tion in CSR (external stakeholders perspective) seems to be the major factor here.

6.2.1.5. Extended domains for OSH as a result of CSR?

The ethical trade initiatives show us that suppliers throughout the production chain are also involved in CSR initiatives on a global scale, especially concerning less developed countries and countries in economic transition. As a consequence, working conditions, including safety and health in developing countries or eastern Europe, are also considered as CSR items. Here we see that CSR life-cycle thinking broadens the scope of OSH tremendously. What does this mean for OSH policies and OSH professionals? The ILO and WHO are already practising and promoting this extended scope on safety and health (the global compact initiative) in their labour perspective.

6.2.1.6. Wider perspective

The 'triple P' aspect of CSR places OSH in a wider perspective. Within the OSH world, we seem to be more and more limited by institutional boundaries (such as separate health, safety and quality initiatives). Is it not remarkable that, in the European Commission, it is the Directorate-General for Employment and Social Affairs that is responsible for CSR, while nationally it is the ministry for economic affairs (as in the UK and the Netherlands) or another institution? For OSH professionals it is important to be aware of this broader CSR perspective to be able to fully keep up with future developments, and to be integrated in social policies, business development, industrial policies and environmental/sustainability policies.

6.2.1.7. Opportunity and challenges for synergy

Participation of employees, or their representatives, has a strong tradition in the OSH area and it is of great value for the 'internalisation of new concepts, new values and new behaviour of employees'. However, the OSH community

could be overruled by CSR initiatives where external orientations are dominant (stakeholder involvement, external communication, transparency, good governance etc.) and workers are considered as 'persons to motivate', instead of valuable human resources that can contribute to the new initiatives. For OSH professionals, this can be an opportunity to use and further develop their experience in the field of 'internalisation and commitment' and increase the commitment of different stakeholders.

- The focus of OSH is all too often on compliance with legal obligations. The CSR initiatives show us that a lot of impact can be created by integration and commitment on a voluntary base. The challenge for OSH professionals is to use their expertise in creating commitment by defining OSH more as a strategic interest, as an issue at stake in the top of organisations and as the responsibility of involved parties. In this way OSH can be 'pulled' through self-interest and internalisation instead of 'pushed' by externally imposed laws.
- A threat may be that OSH and CSR seem sometimes to be two different worlds. The more systematic and legally based approach of OSH is aimed at 'controllability' (and enforcement by labour inspections), while CSR is primarily value oriented and aims at external communication, ethical principles and values such as trust and this makes CSR more strategic for companies.

When OSH is pulled to a more strategic level by linking it to CSR, strategic goals will be at stake and it becomes clear that a broader array of stakeholders have either positive or negative interests in OSH than before. As a metaphor, think of a mountaineer who is climbing to the top of a mountain: the closer he gets to the top, the more mountains he can see, and the more he will become aware of all the other mountains behind.

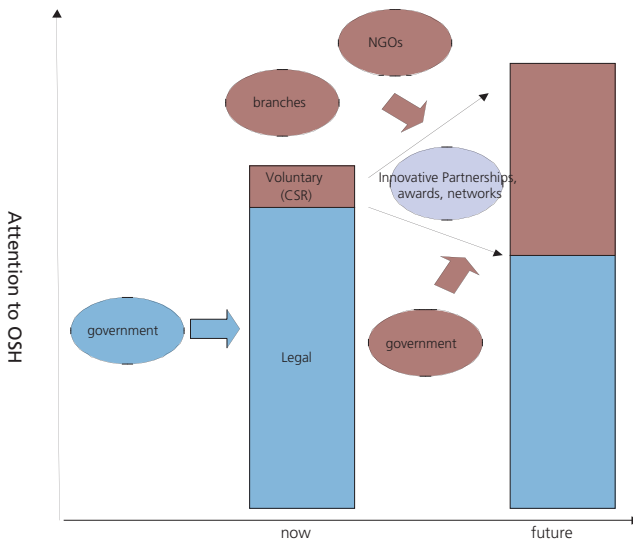
6.2.1.8. Synergy in the changing world of work

The traditional OSH world is confronted with a range of new developments by the CSR initiatives. This means that the consequences of CSR for the traditional ‘world of work’ becomes more and more influenced by:

- other involved parties (especially NGOs);
- the social impact of products;
- the involvement of ethical issues;
- a stronger link with human resource management (such as addressing the meaning of work and a correct work–life balance);
- a broader geographical perspective;
- non-regulatory, inspirational private initiatives.

The last aspect is represented in the diagram below that shows how new developments can lead to OSH becoming less dependent on regulatory matters and be based increasingly on voluntary initiatives.

Innovative CSR initiatives may foster voluntary actions by companies. The openness and external orientation of CSR makes stakeholders’ interests in OSH more evident for companies. In future, hopefully this will motivate companies, and especially top management, to increase their attention on OSH in their own interest. Can OSH in this way become an inspiring movement that companies ‘want to belong to’? This challenge is represented in the figure below.



6.2.1.9. Inspiring elements of CSR for the OSH community

The project workshop identified the following aspects as inspiring to OSH:

CSR seems to give an opportunity for an integrated approach in OSH. It brings a compre-

hensive point of view and this wider perspective can lead to integration of OSH in other business activities. It is a way of giving OSH a higher profile and priority and it presents an opportunity to take OSH beyond compliance with legislation.

The positive presentation of issues in CSR is not new in OSH, but is still an inspiring element. The link to benefits for the image of the company is also of extra value for OSH, as are the CSR natural combinations of ethical and economical/commercial motivations. Lastly, the role of the local community is seen as a new interesting aspect for OSH.

Good examples of OSH initiatives compatible with CSR are those that have an internal focus and that look at human resources inside the company and focus on work processes throughout the supply chain. Initiatives that look beyond the workplace are good examples (such as focusing on the work/life balance and on sports programmes). New stakeholders have included artists, schools of the children of managers and local NGOs. For example, in Spain, a company with housing problems for their employees gave them the opportunity to live with older people and provide services for them at the same time. Many creative options seem to arise from linking organisational OSH issues to relevant new stakeholders.

To bring OSH to a higher level on the agenda for CSR, it could be interesting to harmonise instruments, methods and vocabulary. OSH can learn from CSR initiatives in the stakeholders they involve. An example was awareness-raising among fishermen's wives on the risks at work of fishing. Family pressure lead to safer behaviour, while education of the fishermen themselves had not been as effective for various reasons.

6.3. Changing perspectives in the context of organisations

Our analyses at company level and of the initiatives in the context of organisations make it possible to identify some general implications for change of perspectives due to CSR. This section outlines the implications at macro level.

6.3.1. CSR: combining social, environmental and economic business aspects

A short definition of CSR is: the inclusion of social and environmental concerns into business operations, and the interactions of companies with their stakeholders. This means that today, businesses active in CSR realise that their 'reason of existence' is not only 'making money' and that, while economic goals are vitally important, social and environmental concerns are increasingly important also. This is often expressed in the 'triple P' aim: people, planet and profit.

Besides CSR, the term 'corporate sustainability' is also increasingly used to describe the triple P aim for businesses, while 'sustainable entrepreneurship' is a closely related concept, often preferred by bodies and people with an environmental background.

The terms businesses and profit are used, as CSR mainly addresses private businesses. It has the greatest implications for businesses that were used to seeing themselves as merely profit-making organisations, but CSR is also relevant for not-for-profit organisations and public organisations. The latter types of organisation usually have a greater tradition of social aims, and less experience in 'business-like' economically efficient operation, or in generating money for investments in the future development of their organisation. Therefore, a good balance between the social, environmental and economic aspects is also a relevant challenge for not-for-profit organisations and public organisations.

6.3.2. CSR and safety and health at work

It is obvious that safety and health at work is a social item. There can be no doubt that safe and sound working conditions, and good worker health belong to the social responsibilities of

companies. This is also made very clear in important publications, such as the European Commission's Green and White Papers on CSR (EC 2001 and 2002). In a workshop, organised by the European Agency for Safety and Health at Work, on the relationship between CSR and work health, many safety and health aspects that are relevant for CSR were identified. The EC's long-term investment strategy in high-quality jobs and living standards also make this relationship very clear.

When we examine the CSR initiatives, the relationship with OSH varies widely. Some initiatives refer explicitly to OSH items, but others focus on new social items that have no tradition in companies, and are not associated with legal obligations (such as hazardous child labour in the operation of suppliers in developing countries). Furthermore, it is certainly not always the case that OSH initiatives contribute to CSR as whole. Many valuable OSH initiatives do not address the planet and the profit dimension of CSR, are not impacting business processes or stakeholder relationships and have therefore limited relevance for the development of CSR as they only influence the OSH domain.

There are also, however, other significant differences such as the nature of initiatives: voluntary

private initiatives are dominant for promoting CSR, while OSH is dominated by legal regulation and initiatives of governments. As will be clarified below, other agents — not known in the OSH arena — do play a role in CSR initiatives, and existing agents may be seen in new roles.

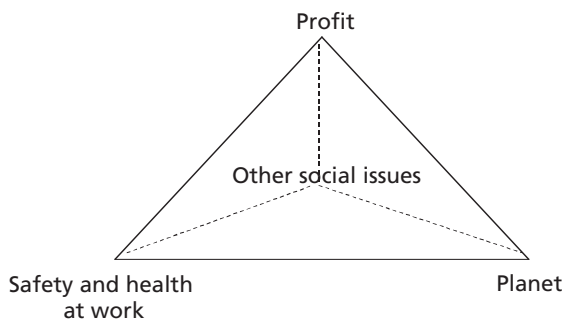
A conclusion is that the development of CSR forms a new dimension of 'the changing world of work' and therefore it is important for the OSH community to assess the opportunities and challenges stemming from this new development.

6.3.3. Safety and health at work and the CSR performance

The social, environmental and economic dimensions can be represented as a triangle. It may be useful for the analysis of the relationships of OSH with CSR, to distinguish between safety and health at work as a social item and the other social items at stake.

The figure above illustrates that OSH issues, in a CSR perspective, may become more closely related with other issues important for companies.

CSR and Safety and Health



Most relevant in this respect are OSH related to:

- public safety and health issues (including product safety);
- human resource issues;
- the balance between work and life;
- other fundamental rights at work;
- environmental issues;
- profitability and productivity.

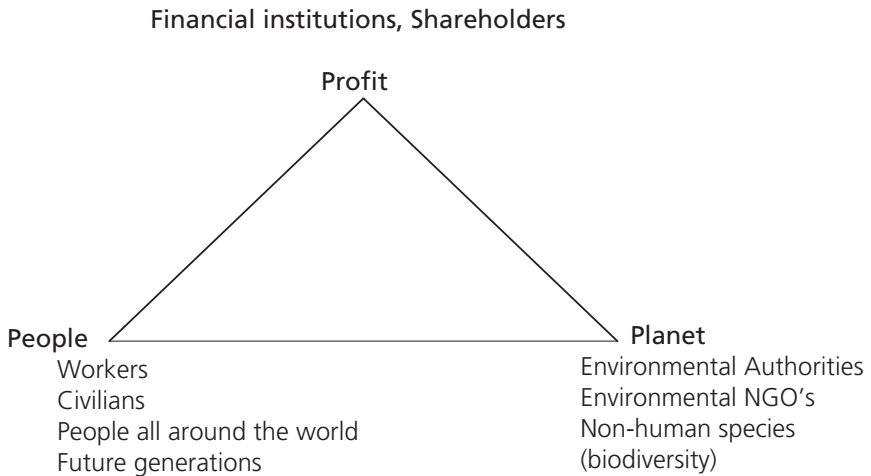
It is interesting to note that terms like ‘work related disease’, or ‘work-related absence’, actually express implicitly that these issues are also

‘social or societal’ related. CSR may offer a broader perspective on these kinds of issues and imply opportunities for so far unexplored solutions.

6.3.4. New stakeholders play a role

A second way to clarify the relationship between CSR and safety and health at work is to focus on the stakeholders involved in CSR. This is illustrated in the next figure.

CSR and main stakeholders



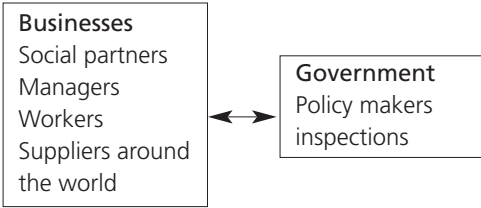
Important stakeholders for the profit aspects are financial institutions (e.g. banks, insurers, pension funds), investors and shareholders.

For the environmental aspects, environmentally focused non-governmental organisations are important, as well as small-scale landowners, environmental authorities and local authorities. One could even state that nature, in the sense of non-human species, is a kind of stakeholder, especially with reference to the conservation of nature and biodiversity.

Finally, for the social aspects, besides managers and workers, we see civilians, and civil organisations (NGOs), people around the world and even future generations as new stakeholders that are normally not involved in safety and health items.

6.3.5. Civil society comes into play

In the 20th century, social aspects of business issues were mainly dealt with between businesses and business-related stakeholders on the one hand, and government institutions on the other.

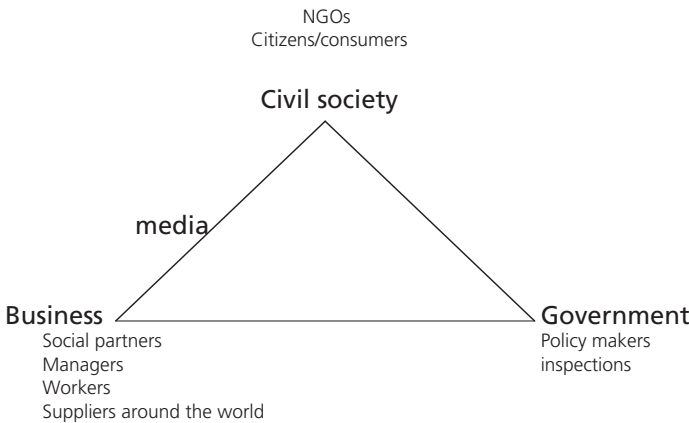


This is also true for OSH. The main agents in the European and national OSH arenas are employers' organisations and unions (the social part-

ners) and governments (policy makers and labour inspections). At company level these are employers and managers and workers and their representatives, supported by OSH professionals.

In the 21st century, however, this picture is changing rapidly. Civil society comes into play as counterpart of businesses and governments (?). This is illustrated in the next figure.

Civil society comes into play



Business and society management is now a hot topic in many companies and business schools. As a consequence, companies are increasingly communicating with NGOs, ranging from the so-called one-issue NGOs (such as Greenpeace) to multi-issue NGOs and consumer groups. As a result, mass media are also becoming increasingly involved in CSR.

6.3.5.1. A broader arena where new items on the agenda may decide on OSH issues

It can therefore be concluded that, due to CSR, many new stakeholders may also become involved directly or indirectly in safety and health at work and this may change the traditional

OSH arena significantly. Safety and health at work will be discussed in a much broader arena than ever before, and may be subject to decisions taken by NGOs, civilians, (mass) media, shareholders, local authorities (around the globe) and suppliers all around the world.

At the same time, the agenda will be much broader, with new items like corporate governance, and ethical considerations playing an

(?) Important drivers are the decreasing power of (national) governments and the increasing power of (multinational) businesses. As a result businesses become confronted with new 'counter-veiling powers' from the civil society, for example, power from consumer actions, from shareholders, or from the response of civilians at the labour market.

important role. All business impacts on people, planet and profit will be on the agenda, including environmental impact of products and processes, safety and health impacts of products and services, the company's impact on public safety and public health, impact and positioning of the company in the local community (for all its sites), and social impact in developing countries.

New methods and tools are already under development to meet the new business needs:

- methods for external reporting and stakeholder dialogue;
- introduction of codes of conduct;
- identification and use of new business opportunities;
- selection of business partners;
- management of the social and environmental impacts throughout the production and consumption chain.

It is important to realise, once more, that all this is mainly driven by 'enlightened self-interest of companies', often triggered by NGOs and mass media.

6.3.6. New roles for established agents?

The social partners and the governmental authorities responsible for OSH will clearly remain vital players for safety and health at work, but the tripartite structures will be confronted with a new arena and much broader discussions. Moreover, the traditional agents will be addressed by civil society in other roles: employers are not only employers, but at the same time they are entrepreneurs, and (hopefully) responsible civilians. Workers are at the same time consumers, civilians, and sometimes also neighbours of the company.

Safety and health professionals may become involved in external stakeholder dialogues in the role of company representative and may have to 'unlearn' the habit of automatically referring to

legal obligations; instead they have to link their activities to sound business principles, ethical considerations and 'good citizenship'.

6.3.7. Challenges

It goes without saying that the abovementioned developments will impact on the safety and health community. New opportunities and challenges are presented by CSR, and the safety and health community needs to assess its strengths and weaknesses in the context of this development.

Rather than giving the answers, we are now at a stage where it is important to raise the right questions, and to stimulate debate amongst all parties concerned in safety and health at work. This should also include between OSH stakeholders, and other stakeholders involved in the CSR developments.

The main questions for the OSH community are as follows.

- What are the most important opportunities for strengthening OSH by making use of the CSR developments? What is needed to realise these positive impacts?
- What are the most prominent challenges for OSH, due to CSR's developments and what can we do about them?
- What are the strengths of the OSH-community (institutions and persons) that are vital for making OSH an important aspect of CSR?
- What are the weaknesses of the OSH community in this respect?
- How can the relationship between CSR and OSH be most effectively discussed as part of CSR policy development, at company level, national and European level?

7.



CONCLUSIONS AND RECOMMENDATIONS

7.1. Conclusions

CSR is a new and inspiring development that is a 'hot topic' in society and business today and that has a strong relationship with safety and health at work. Some CSR initiatives focus only on the new and strictly voluntary aspects of CSR, whereas OSH may be perceived as a fully mandatory issue.

At company level, safety and health at work issues always find their place within CSR. Companies recognise that they cannot be good externally, while having a poor social performance internally.

Given the strategic importance of the CSR development, and its innovative character, it is too

early to give concrete guidelines on how to integrate safety and health into CSR. European and national debates are needed at this stage on the challenges, opportunities and threats, due to the CSR development. However, a set of important recommendations for managers, employees and safety and health professionals is given in the next section of the report.

The research shows that CSR can inspire the OSH community to new types of OSH promotional initiatives, and that there are opportunities for voluntary innovative partnerships with stakeholders normally not involved in safety and health at work, and for more recognition of the importance of OSH by the general public and the mass media. This may also require that the OSH community critically scrutinise in what cases voluntary initiatives can be more effective than legislation.

This research is the first to give insight into the opportunities and threats raised by the development of CSR for safety and health at work.

7.2. Recommendations

The company cases and the initiatives can be a source of inspiration or a guideline for everyone who is looking for more synergy between OSH and CSR activities. As said before, there are no tangible working plans on how to 'do' CSR. First there needs to be discussion and the creation of ideas. Nevertheless, the examples of good practice have given us a starting point.

Below we present a list of recommendations as help for managers, employees and OSH professionals in companies who want to make a closer link between OSH and CSR.

7.2.1. Recommendations for company managers — based on good practices

Building on existing activities

Companies embarking on a CSR strategy are likely to already be operating in several ways

that are relevant. Therefore, avoid reinventing the wheel and instead make the most of existing initiatives and past experience. Assess what activities are relevant, including safety and health and human resource activities, and acknowledge employees' actions as relevant for CSR. Be aware that by applying a broader and more strategic perspective, some existing activities may be reoriented towards CSR.

Making use of available experiences

There are many examples of good practices and guidelines available for CSR, such as those described in Chapter five on national or international initiatives to stimulate CSR. Initiatives are based on a variety of values and methods, so make use of approaches that fit with your company and its corporate culture. Additional information is usually readily available via the worldwide web. There is also much to learn from other companies' experiences, such as those presented in Chapter four, and they can be used as a source of inspiration or as a benchmark.

Defining strategic aims

Be clear about your vision of CSR and how and why you see it as being important for your business. Principal aims might include creating opportunities in innovative markets, developing the relationship with important stakeholders, improving management of business risks, or gaining synergies through linking previously separate activities. Potential benefits may be a better profile in the market for products, for services, or indeed for potential employees, and improvement in employee morale and reduced turnover and sickness absence.

Identifying and involving relevant stakeholders

CSR is about listening to relevant stakeholders, such as employees, clients, shareholders, government, NGOs, consumers, society or family members. Every company is confronted with a wide range of stakeholders so it is important to

identify carefully who are key stakeholders and why. Ability and readiness to listen is of major importance. Do not overlook internal stakeholder groups, or the shareholders. Be transparent in selection of key stakeholders and be open and honest in communication towards all stakeholder groups, including those that may be regarded as less relevant to your company.

Balancing people, planet and profit

CSR means the inclusion of social (people), environmental (planet) and economic (profit) considerations into business operations and in the company's communication with stakeholders. Of these aspects, profit is usually well integrated into all business operations and environmental management systems are readily available to help reduce the company's impact on the planet. However, social aspects are often the most complicated to address as they cover impacts not only on employees and business partners, but also on local communities and possibly in developing countries. Indirect impact, for example through business partners in the supply chain, may also be relevant, especially for larger businesses.

Balancing external and internal aspects of CSR

New external issues, such as child labour or business in countries with human rights problems, may rise up the agenda due to pressure from external stakeholders. These types of problem may not seem, at first, to be directly linked with internal issues, however, their solution requires clarification of company values with respect to managers, employees and business partners. Furthermore, the ownership or support of a range of internal key actors will be essential to the success of any measures.

A company cannot remain credible in the long term unless 'good values' are declared to be important externally, are not also practised internally. This means that human resource and safe-

ty and health at work issues should always be part of the CSR challenge and should be evaluated against the same values and criteria as externally oriented (social or environmental) aims.

Showing and developing leadership

Managers' own behaviour should serve as a positive example and if there is no belief in a strategy, then it is best not started. Difficulties encountered in implementation serve as relevant management information: other people will probably encounter the same difficulties. Therefore, deal openly and honestly with such difficulties, otherwise credibility will be lost, as well as the case for CSR.

Implementation: walk the talk

It is easy to espouse new values whereas it is more difficult, but far more important, to actually put them into action as part of day-to-day business. Indeed, lip service alone will decrease the credibility of the newly espoused values, making it much harder to gain credibility and achieve success.

Employees are perfectly able to see the difference between what is being said at a public relations event, and the reality of every day. Remember you cannot remain good externally without being good internally. When you say that the environmental performance should be excellent, the consequence is that the working environment must also be addressed in the same way.

Involvement of employees is important because they are among a company's greatest assets and this holds true with respect to the implementation of CSR. Ways of doing this can include rewarding initiatives from employees and ensuring that lessons learned in part A of the company are used in all other departments. Communication is important to make sure there is always an agenda for CSR-related items (including safety and health at work). Manage-

ment should lead by example, following the principle that CSR, like safety and health, needs high-level commitment and cannot be commanded purely top-down.

Developing ownership and support

Successful CSR requires changes in the company, including in the hearts and minds of its people. As such, it is not a quick fix and long-term commitment is vital. Therefore, identify key actors in the company who are able to function as champions, promoting the new values and advocating the newly desired activities. Make sure that the reward systems and company culture support and enhance the new values and activities.

Be aware that CSR necessitates capturing the 'hearts and minds of people' (including management). Personal and interpersonal aspects are often difficult to manage, requiring courage and emotional intelligence on the part of every manager. This may entail changes in the leadership style and adapting managers' social skills. Therefore emphasise the challenge for managers in developing a win-win situations with their (external) stakeholders and with the people they lead and coach.

Do not be afraid of ethical considerations and value aspects

For many managers, the nature of business is to do business, in other words, to make money. CSR may improve business, but always associated with generating social and/or environmental benefits. As a citizen, many managers will say that a range of other values is highly relevant for people and society and CSR can be seen as a way to include, to a certain extent, such human, societal or religious values into business operations. Once you have acknowledged the relevance of such values for yourself, it is no longer a strange idea that CSR can add values to your business activities.

Be innovative

CSR can be innovative and often appeals to peoples' emotions rather than giving them a purely rational or economic advantage. Consider non-traditional methods to stimulate change, such as innovative partnerships (such as with NGOs). Consider key people within the organisation who may be able to temporarily change roles with those from relevant stakeholder organisations. This type of approach can increase mutual understanding considerably and open up new perspectives. Consider involving artists as change agents and trust your intuition when human values are at stake. Many inspiring examples of unconventional methods to promote CSR can be found both in the good practice examples at company level and in the CSR initiatives.

Go for opportunities

Focus on positive aims for CSR, even in areas that may be traditionally focused on risk management, such as safety and health at work. Health is more than the absence of illness; it is also being present, motivated and able to solve problems. Safety is more than the absence or control of risks; it is also an active state that must be generated and confirmed through peoples' behaviour, that generates confidence for the future, creativity and trust among managers and workers.

Regarding safety and health at work, it may be relevant to change the focus from compliance to seeking opportunities and contributions to business excellence and new business opportunities.

Organisational learning and development

CSR is not a quick fix, as it takes time to develop new values and a new company culture. The outside world is dynamic and so the demands from stakeholders change over time, as do those of an organisation. This requires adapta-

tion and learning processes, both at individual and collective, organisational level.

7.2.2. Recommendations for employees and their representatives — based on good practices

Building on existing activities

CSR is an interesting development that can result in work being more meaningful. Sometimes however, managers see it as completely new, whereas it is built on existing experiences and activities employees are involved in. Make sure that it involves workers or their representatives, for example in the area of safety and health at work.

Making use of available experiences

Many companies are implementing CSR and these provide an opportunity to exchange experiences with other employees. The chapters on company good practice and national CSR initiatives can be used as a source for ideas of how CSR can contribute to workers' interests.

Defining strategic aims

CSR is a strategic development that, if properly implemented, may change the nature of the company and its activities over time. This is not usually an issue that many employees are involved in, however it may be useful for workers to brainstorm about the strategic options for the company. It also concerns employees' future work!

Identifying and involving relevant stakeholders

To a high degree CSR is influenced by demands from stakeholders. Therefore, it is important that the company considers workers as a relevant stakeholder group. Employees need to be aware of the stakeholders relevant to their own projects and to try to listen to their demands. Furthermore, employees' contacts with NGOs,

or even active membership in such organisations can, in the context of CSR, be relevant for the company. Knowledge about these organisations, their values, demands and priorities can be useful and for the employee it may offer opportunities to combine professional with personal interests.

Balancing people, planet and profit

CSR means the inclusion of social (people), environmental (planet) and economic (profit) consideration into business operations and in the company's communication with stakeholders. Make sure that there is enough focus on the workers as an important stakeholder group and that communication with their representatives is included in the company's strategy. Managers may need explaining that it is important for the company to become an employer of choice.

As citizens, many workers will be enthusiastic about the inclusion of social and environmental goals into business operations. It is nice to work for a company that aims at more than making money, as long as they are good in business. These issues and values can be discussed among workers and supervisors.

Balancing external and internal aspects of CSR

Many companies starting with CSR focus on new external items (such as child labour issues) that come on the agenda via pressure from external stakeholder groups. Consequently, they may overlook the importance of the internal aspects of CSR, such as workers' satisfaction, motivation and prevention of illness. At the same time, the changes needed for these external goals can only be realised through internal changes that involve the workers. Therefore, it is important that employees discuss the issues between themselves and with management. Unless it is clear that workers feel involved, and want to have a say, managers may decide CSR issues without employee participation.

Showing and developing leadership

Successful CSR depends on some people taking a lead and pushing for change. Traditionally, leadership is associated with top-down management, for example from the CEO and directors. In modern, more decentralised, organisations leadership is increasingly seen as a desirable quality for all personnel. Therefore, if employees have ideas about opportunities that CSR raises for the company, they should not hesitate to express them and to develop bottom-up initiatives. In the end, CSR can only flourish by an inspiring combination of top-down and bottom-up initiatives.

Implementation: walk the talk

To a large extent, CSR centres on the inclusion of social and environmental values into the behaviour of the company as such, and its personnel (from managers to the shop floor). Anyone taking initiative for CSR needs to ensure their behaviour enhances the social and/or environmental values advocated.

Developing ownership and support

CSR can make employees see their work as more meaningful and more rewarding. If you are triggered by CSR initiatives, make them part of your behaviour and try to advocate and promote this in your team.

Do not be afraid of ethical considerations and value aspects

At first, it may seem strange to hear top managers advocating ethical behaviour and expressing the importance of a limited set of corporate values. There might be reasons to be sceptical, as new values will not be fully integrated at once in all company activities, and managers themselves may not fully live up to the new values. However, it is most important to have open communication about employees' concerns and unconventional feedback about manager's inconsistency may be valuable.

There may be concern that managers will judge employees' morale and behaviour in unprecedented ways, however the fact is that most managers find it very difficult to communicate about values and perceptions anyway. It is not in their interest to force certain behaviour on employees and for companies it is important to facilitate and reward desired behaviour, not to control employees' lives.

Consider unconventional methods and tools

The traditional way of dealing with issues may have been effective in the past, but has severe limitations for making a change towards CSR. Besides facts and ratios, intangibles such as values, emotions and passion are important to everybody as a person. Usually, these 'irrationalities' are not appreciated at work, but nevertheless they are always there. CSR has to be seen as an opportunity to develop new dimensions in employees' work, where personal values and interests can be matched with those of the company. Of course, this requires openness and trust between managers and personnel.

Go for opportunities

Companies undergo change as a result of CSR and this may bring new problems. However, every problem perceived is an opportunity to learn that can also open up opportunities. The cases of good practice show that companies that have implemented a form of CSR usually become more attractive to work for. CSR can make employees' your work more meaningful and sometimes it may open up new career prospects.

Organisational learning and development

CSR requires adaptation to new circumstances and open communication with external stakeholders. It also involves values and ethical considerations and for most people it is new that these aspects become important at work. This requires a rise in awareness collectively and for

every person in the company. Learning, both individually and collectively is therefore a key to CSR and it creates opportunities for developing new, valuable competencies and personal development.

7.2.3. Recommendations for safety and health professionals — based on good practices

Build on existing activities

If your company embarks on a CSR strategy, make sure that the achievements in safety and health are evaluated positively, and are regarded as one of the cornerstones to build CSR on. In some macro initiatives to stimulate CSR, it is deliberately not associated with safety and health, as that is seen as an over-regulated area, while CSR is seen as a fully voluntary. However, most companies realise quickly after the start that safety and health at work has a natural place in the CSR spectrum.

Make use of available experiences

Many companies are developing CSR activities, and you can use their experiences. Discuss the CSR developments in your professional networks. Make sure to understand the lessons learned by other safety and health professionals. You can also get relevant information from the websites of the initiatives mentioned in this publication. Many safety and health professionals often refer to legislative requirements to get things done. Try to address the internal motives in the company first. Of course, it always remains an interest of the company to comply, but this is seldom the most inspiring motive make improvement.

Define strategic aims

See CSR as a framework that can make safety and health more strategically based in the company. Formulate positive long-term goals for safety and health at work. Include mental

health issues, and their close relationship with modern human resource management, employee satisfaction. Make relationships with other strategic social goals of the company, and with environmental aims or sustainable development.

Identify and involve relevant stakeholders

Identify the external stakeholders, who have a stake in the external aspects of safety and health at work. Make sure they become involved in the company's stakeholder-dialogues. Try to build partnerships with these stakeholders — this may open up new perspectives for progress in safety and health both at work and more generally.

Balance people, planet and profit

Safety and health at work is a natural part of the people aspect of CSR. It is about the well-being of the workers, the most important stakeholders and their families. When working with dangerous goods, safety issues can get very close external stakeholders as well. Their perception of safety is crucial for your company. It is important to know them and listen to them. Nowadays people's perception of safety is seen as the 'real safety' as the opposite of technical safety statistics.

Make sure that it is not overruled by the new items that may come on the agenda due to CSR such as sustainable development and child labour. Try to identify common underlying values, and make strategic connections by stressing the common aspects.

Balance external and internal aspects of CSR

Traditionally, safety and health at work is regarded as an internal issue only. However, there are several external aspects of safety and health at work. Good working conditions have a great impact on the labour market. Local authorities are interested in environmental health and ex-

ternal safety. The items that are called 'work related' are just as good 'private life' and/or 'society related'. Social accountability that focuses on the impact of activities of business partners along the supply chain, do include safety and health at work items in other organisations.

Show and develop leadership

Develop initiatives to create CSR in a way that safety and health becomes a natural part of the company's strategy. Try to inspire managers and other people who are advocating CSR by giving them a better understanding of the company benefits from excellence in safety and health, and by generating activities that make people (managers and workers) proud to work in this company.

Implementation: walk the talk

Safety and health are strong values, but are often seen as issues that need rational management only. It is important for a safety and health professional to deal with their assets as values instead of controllable elements. Moreover make sure these values become part of the company culture. Be involved in CSR discussions from the start, since CSR is a more strategic item for most companies than OSH. Therefore, strategic attention for OSH is very relevant. Make sure you set the right priorities to make it a strategic issue in your company. Be an example in acting strategically, and living up the values you advocate.

Develop ownership and support

As a safety and health professional you can do a lot of good for the company, but the managers and workers in the line organisation are the real owners of safety and health targets, problems and possible solutions. See key managers as internal stakeholders. Dialogues with them may help you to understand their needs better, so you can better support them. Refuse to take the ownership away from them, though

they would probably like you to do that very much. Show them how doing the right work in a right way has an effect on society as a whole. You can initiate, co-ordinate, communicate, etc., but not be responsible for the company's safety and health performance. And if you were, that would be counter-productive in the longer run.

Do not be afraid of ethical considerations and value aspects

Safety and health are important human values that need to be integrated into the company values. There is more than rational decision-making. Don't be afraid to make ethical statements. They may have a greater impact on the behaviour of people, than rational argumentation.

Consider unconventional methods and tools

Safety and health are established in many companies as a regular activity. This is an important achievement. However, regular things do not get strategic attention very easily. Radical improvements often require 'out of the box thinking' and unconventional approaches. Assess innovative approaches used in your company in other areas linked with CSR (sustainability, total quality management, etc.) and evaluate their usefulness, perhaps slightly modified for OSH. For example start learning networks and seek new partnerships unexpected to open they eyes for other perspectives.

Go for opportunities

CSR offers a broader framework to rethink safety and health at work. Is it really of strategic importance (not only in words)? Are the safety and health values really tangible in day-to-day practice? Can safety and health benefit from the involvement of (external) stakeholders? Are the financial benefits from OSH clear enough for the top managers? Is the impact of good working conditions specifically on the labour market and more generally on the company image clearly

assessed and used as a driver for safety and health.

Organisational learning and development

Is it broadly acknowledged in the company that in the era of the knowledge society the work organisation should offer people learning experiences in order to further develop themselves, and make the company more innovative? Is safety and health strategy suited for responding proactively to the constant changes in the outside world? Are new issues and risk anticipated timely? Does safety and health play a role in the organisational and technological development?

8.



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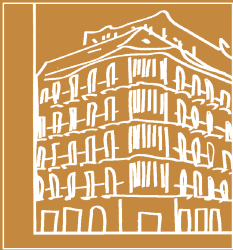
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