

## **P6\_TA-PROV(2007)0062**

### **Corporate social responsibility**

#### **European Parliament resolution of 13 March 2007 on corporate social responsibility: a new partnership (2006/2133(INI))**

*The European Parliament,*

- having regard to the Commission communication implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility (COM(2006)0136) (Commission communication on CSR),
- having regard to the two most authoritative internationally agreed sets of standards for corporate conduct: the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy by the International Labour Organization (ILO), last revised in 2001, and the Guidelines for Multinational Enterprises by the Organisation for Economic Co-operation and Development (OECD), last revised in 2000 and having regard to codes of conduct agreed under the aegis of other international organisations such as the UN Food and Agriculture Organization, the World Health Organization and the World Bank and to efforts under the auspices of UN Conference on Trade and Development with regard to the activities of enterprises in developing countries,
- having regard to the ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998, and ILO conventions establishing universal core labour standards with regard to the abolition of forced labour, C29 (1930) and C105 (1957); freedom of association and the right to bargain collectively, C87 (1948) and C98 (1949); the abolition of child labour, C138 (1973) and C182 (1999); and non-discrimination in employment, C100 (1951) and C111 (1958),
- having regard to the United Nations' 1948 Universal Declaration of Human Rights and in particular the proclamation that every individual and every organ of society is called upon to play its part in securing universal observance of human rights; its 1966 International Covenant on Civil and Political Rights; its 1966 Covenant on Economic, Social and Cultural Rights; its 1979 Convention of the Elimination of All Forms of Discrimination Against Women; its 1989 Convention on the Rights of the Child; and its 1994 Draft Declaration on the Rights of Indigenous Peoples,
- having regard to the OECD's 1997 Anti-Bribery Convention,
- having regard to the Global Reporting Initiative's G3 Sustainability and Reporting Guidelines, 2006,
- having regard to the UN Global Compact, launched in July 2000,
- having regard to the announcement on 6 October 2006 that Global Compact and the Global Reporting Initiative formed a "strategic alliance",
- having regard to the UN norms on the responsibilities of transnational corporations and other business enterprises with regard to human rights, 2003,

- having regard to the outcome of the 2002 Johannesburg World Summit on Sustainable Development, in particular the call for intergovernmental initiatives on the question of corporate accountability and the Council conclusions of 3 December 2002 on the follow-up to the Summit,
- having regard to the UN Secretary-General's report, "Towards global partnerships - Enhanced cooperation between the United Nations and all relevant partners, in particular the private sector", of August 2005,
- having regard to the appointment of a UN Secretary-General Special Representative on business and human rights, to his interim report of 22 February 2006 on the issue of human rights and transnational corporations and other business enterprises, and to the regional consultations held in Johannesburg on 27 and 28 March 2006 and in Bangkok on 26 and 27 June 2006,
- having regard to its resolution of 15 January 1999 on EU standards for European enterprises operating in developing countries: towards a European Code of Conduct<sup>1</sup>, which recommends creating a European Model Code of Conduct supported by a European Monitoring Platform,
- having regard to Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters<sup>2</sup>, which superseded the 1968 Brussels Convention save as regards relations between Denmark and other Member States,
- having regard to Regulation (EC) No 761/2001 of the European Parliament and of the Council of 19 March 2001 allowing voluntary participation by organisations in a Community eco-management and audit scheme (EMAS)<sup>3</sup>,
- having regard to the Council Resolution of 3 December 2001<sup>4</sup> on the follow-up to the Green Paper on promoting a European framework for Corporate Social Responsibility,
- having regard to its resolution of 30 May 2002 on the Commission Green Paper on promoting a European framework for corporate social responsibility<sup>5</sup>,
- having regard to its resolution of 13 May 2003 on the Communication from the Commission concerning Corporate Social Responsibility: A business contribution to Sustainable Development<sup>6</sup>,
- having regard to the Commission recommendation of 30 May 2001 on the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies<sup>7</sup>,

---

<sup>1</sup> OJ C 104, 14.4.1999, p. 180.

<sup>2</sup> OJ L 12, 16.1.2001, p. 1.

<sup>3</sup> OJ L 114, 24.4.2001, p. 1.

<sup>4</sup> OJ C 86, 10.4.2002, p. 3.

<sup>5</sup> OJ C 187 E, 7.8.2003, p. 180.

<sup>6</sup> OJ C 67 E, 17.3.2004, p. 73.

<sup>7</sup> OJ L 156, 13.6.2001, p. 33.

- having regard to its resolution of 4 July 2002 on the Commission Communication to the Council, the European Parliament and the Economic and Social Committee entitled ‘Promoting Core Labour Standards and Improving Social governance in the context of globalisation’<sup>1</sup>,
- having regard to the Council Resolution of 6 February 2003 on corporate social responsibility<sup>2</sup>,
- having regard to the Commission communication on Governance and development (COM(2003)0615),
- having regard to Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 on the annual consolidated accounts of certain types of companies, banks and other financial institutions and insurance undertakings<sup>3</sup>,
- having regard to Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts<sup>4</sup>,
- having regard to the final report of the European Multistakeholder Forum (MSF) on CSR of 29 June 2004, in particular the seventh recommendation, which promotes creating a legal framework for CSR,
- having regard to the Commission communication on the Social Dimension of Globalisation - the EU's policy contribution on extending the benefits to all (COM(2004)0383),
- having regard to Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council (‘Unfair Commercial Practices Directive’)<sup>5</sup>,
- having regard to the Spring European Council of 22 and 23 March 2005, which re-launched the Lisbon strategy, focusing the partnership between the EU institutions, Member States and civil society on ‘Working together for growth and jobs’,
- having regard to its resolution of 5 July 2005 on the exploitation of children in developing countries, with a special focus on child labour<sup>6</sup>,
- having regard to the Commission communication on the review of the Sustainable Development Strategy - A platform for action (COM(2005)0658), and the renewed EU

---

<sup>1</sup> OJ C 271 E, 12.11.2003, p. 598.

<sup>2</sup> OJ C 39, 18.2.2003, p. 3.

<sup>3</sup> OJ L 178, 17.7.2003, p. 16.

<sup>4</sup> OJ L 134, 30.4.2004, p. 114.

<sup>5</sup> OJ L 149, 11.6.2005, p. 22.

<sup>6</sup> OJ C 157 E, 6.7.2006, p. 84.

Sustainable Development Strategy adopted by the European Council on 15 and 16 June 2006,

- having regard to the joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission of 20 December 2005 on European Development Policy: ‘The European Consensus’<sup>1</sup>,
  - having regard to the new General System of Preferences (GSP+), in force since 1 January 2006, first implemented by Council Regulation (EC) No 980/2005 of 27 June 2005 applying a scheme of generalised tariff preferences<sup>2</sup>, which grants duty-free access or a tariff reduction for an increased number of products and also includes a new incentive for vulnerable countries faced with specific trade, financial or development needs,
  - having regard to the Commission communication ‘Promoting decent work for all - the EU contribution to the implementation of the decent work agenda in the world’ (COM(2006)0249) (Commission communication on decent work),
  - having regard to the Commission Green Paper on the European Transparency Initiative (COM(2006)0194),
  - having regard to its resolution of 6 July 2006 on Fair Trade and development<sup>3</sup>,
  - having regard to the Commission communication on Modernising Company Law and Enhancing Corporate Governance in the European Union - A Plan to Move Forward (COM(2003)0284) (Corporate Governance Action Plan),
  - having regard to the hearing on 5 October 2006 conducted by its Committee on Employment and Social Affairs, ‘Corporate Social Responsibility - is there a European approach?’,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Industry, Research and Energy and the Committee on Women's Rights and Gender Equality (A6-0471/2006),
- A. whereas companies should not be considered a substitute for public authorities when these fail to exercise control over compliance with social and environmental standards,
1. Is convinced that increasing social and environmental responsibility by business, linked to the principle of corporate accountability, represents an essential element of the European social model, Europe's strategy for sustainable development, and for the purposes of meeting the social challenges of economic globalisation;
  2. Welcomes the fact that the Commission communication on CSR enables new impetus to be given to the EU debate on corporate social responsibility (CSR) but notes the concerns

---

<sup>1</sup> OJ C 46, 24.2.2006, p. 1.

<sup>2</sup> OJ L 169, 30.6.2005, p. 1.

<sup>3</sup> *Texts Adopted*, P6\_TA(2006)0320.

expressed by some key stakeholders about the lack of transparency and balance of the consultation procedure undertaken before adoption;

3. Recognises that a debate remains open among different stakeholder groups on an appropriate definition of CSR and that the concept of 'beyond compliance' may enable some companies to claim social responsibility while at the same time not respecting local or international laws; believes that EU assistance to the governments of third countries in implementing social and environmental regulation consistent with international conventions, together with effective inspection regimes, are a necessary complement to advancing the CSR of European business worldwide;
4. Recognises the Commission definition that CSR is the voluntary integration of environmental and social considerations into business operations, over and above legal requirements and contractual obligations; believes that CSR policies should be promoted on their own merits and should represent neither a substitute for appropriate regulation in relevant fields, nor a covert approach to introducing such legislation;
5. Notes that the variety of voluntary CSR initiatives could be perceived as an obstacle to the adoption of CSR policies as well as a disincentive for companies to pursue more credible CSR actions or more ambitious CSR policies, though it could be argued that such variety provides companies with further inspiration; calls on the Commission to encourage the dissemination of good practices resulting from voluntary CSR initiatives; believes that the Commission should also consider establishing a list of criteria for enterprises to respect if they claim to be responsible;
6. Believes that the credibility of voluntary CSR initiatives is further dependent on a commitment to incorporate existing internationally agreed standards and principles, and on a multi-stakeholder approach, as recommended by the MSF, as well as on the application of independent monitoring and verification;
7. Believes that the EU debate on CSR has approached the point where emphasis should be shifted from 'processes' to 'outcomes', leading to a measurable and transparent contribution from business in combating social exclusion and environmental degradation in Europe and around the world;
8. Recognises that many companies already make a considerable and increasing effort to meet their social responsibilities;
9. Notes that markets and companies are at different stages of development across Europe; considers, therefore, that a one-size-fits-all method for corporate behaviour is not appropriate and will not lead to a meaningful uptake of CSR by companies; considers, furthermore, that emphasis should be placed upon the development of civil society and in particular consumer awareness about responsible production to promote the uptake of corporate responsibility which is both long-lasting and of relevance to the particular national or regional context;
10. Points out that CSR should tackle new areas such as lifelong learning, the organisation of work, equal opportunities, social inclusion, sustainable development and ethics, so as to operate as an additional instrument for managing industrial change and restructuring;

### ***The EU debate on CSR***

11. Notes the Commission's decision to set up a European Alliance for Corporate Social Responsibility in partnership with several business networks (Alliance); recommends that the Commission itself ensure a single point of coordination to maintain awareness of the Alliance's membership and activities, as well as agree clear objectives, timetables and strategic vision to inform the work of the Alliance; encourages European companies and third-country companies operating in Europe, large and small, to embrace that initiative, and the Alliance to be enhanced through the participation of other stakeholders;
12. Believes that social dialogue has been an effective means of promoting CSR initiatives and that European works councils have also played a constructive role in developing best practices in relation to CSR;
13. Suggests that a substantial increase in the uptake of CSR practices amongst EU companies, the development of new models of best practices by genuine leaders among companies and trade union bodies regarding different aspects of CSR, the identification and promotion of specific EU action and regulation to support CSR, and the assessment of the impact of such initiatives on the environment and on human and social rights could comprise the Alliance's core benchmarks of success; suggests also that a deadline of two years be set for completion of the work of the 'laboratories' set up under its umbrella as suggested by CSR Europe;
14. Notes that reconvening the MSF was a late addition to the Commission communication on CSR and that measures need to be taken to build the confidence of different stakeholders in the fact that a genuine dialogue will take place leading to a real impact of EU policies and programmes to incentivise and apply CSR in EU business; believes that lessons should be learnt in relation to the two years during which the MSF previously operated, which were positive in terms of the "no fame, no shame" rule and in particular the use of independent rapporteurs; points out, however, that improvements are needed in relation to consensus-building; also urges the case for Commission representatives to engage more actively in the debate;
15. Calls on the Commission to invite representatives from a number of national, regional and local governments committed to using procurement and other public policy tools to advance CSR to form their own laboratory within the framework of the Alliance and to integrate its findings in the future work of the Alliance;
16. Backs efforts by the Commission to extend membership of the MSF to include investors, the education sector and public authorities, whilst insisting that there must remain the opportunity for a sustained dialogue to achieve agreed goals;
17. Calls on the Commission to encourage, in the monitoring of progress of CSR, greater female participation in the MSF and the exchange of information and good practices in the field of gender equality;
18. Supports calls for mandatory disclosure for corporate and other lobbyists and for balanced access between business groupings and other stakeholder groups towards EU policy-making itself;

### ***The link between CSR and competitiveness***

19. Welcomes the objective of the Commission communication on CSR to link CSR to the economic, social and environmental aims of the Lisbon strategy, precisely because it considers that a serious approach to CSR by companies may contribute both to increasing job numbers and improving working conditions and ensuring respect for workers' rights and promoting research and development as regards technological innovations; supports the principle of 'responsible competitiveness' as an integral part of the Commission's Competitiveness and Innovation Programme (CIP); challenges European companies to include in their reporting how they are contributing to the Lisbon objectives;
20. Recognises that effective competition rules, inside and outside Europe, are an essential element of ensuring responsible business practice, in particular by enabling the fair treatment of and access for locally-based SMEs;
21. Reiterates that the implementation, within CSR, of responsible and non-discriminatory recruitment practices that promote the employment of women and disadvantaged persons contribute to the achievement of the Lisbon objectives;
22. Notes a contradiction between competitive sourcing strategies by companies seeking continuous improvements in flexibility and cost on the one hand and voluntary CSR commitments seeking to avoid exploitative employment practices and promote long-term relationships with suppliers on the other; welcomes further dialogue on this point;
23. Suggests, in this connection, that the assessment and monitoring of European companies acknowledged as being responsible be extended to cover their activities and those of their subcontractors outside the European Union in order to ensure that CSR also benefits third countries and in particular developing countries, in accordance with the ILO conventions concerning, in particular, the freedom to form trade unions, the ban on child labour and that on forced labour, and more specifically those relating to women, migrants, indigenous peoples and minority groups;
24. Recognises CSR as an important driver of business and calls for the integration of social policies such as the respect for workers' rights, a fair wages policy, non-discrimination, and lifelong learning, and environmental issues focusing particularly on the dynamic promotion of sustainable development, both in support for new products and processes through EU innovation and trade policies, as well as in drawing up sector, sub-regional and city-based competitiveness strategies;
25. Emphasises that undertakings demonstrating social responsibility make an important contribution towards redressing the inequalities that affect, in particular, women and disadvantaged persons, including disabled people, on the job market, not least as regards access to employment, welfare benefits, training, career development and a fair wages policy; emphasises that undertakings should conduct their recruitment policy in accordance with Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions<sup>1</sup>;

### ***CSR instruments***

---

<sup>1</sup> OJ L 39, 14.2.1976, p. 40. Directive amended by Directive 2002/73/EC (OJ L 269, 5.10.2002, p. 15).

26. Welcomes the trend in recent years for larger companies to publish voluntary social and environmental reports; notes that the number of such reports has been rising since 1993 but has now become fairly static and that only a minority of the reports use internationally accepted standards and principles, cover the company's full supply chain or involve independent monitoring and verification;
27. Reminds the Commission of Parliament's invitation to put forward a proposal to amend the Fourth Council Directive 78/660/EEC of 25 July 1978 based on Article 54(3)(g) of the Treaty on the annual accounts of certain types of companies (the Fourth Company Law Directive)<sup>1</sup> so that social and environmental reporting is included alongside financial reporting; considers that it is important to raise awareness of the provisions concerning social and environmental reporting within the 2001 Commission Recommendation 2001/453/EC<sup>2</sup> on environmental disclosure, Directive 2003/51/EC<sup>3</sup> on accounts modernisation, and Directive 2003/71/EC<sup>4</sup> on prospectuses; supports the timely transposition of the Recommendation and Directives in all Member States, and calls for studies into their effective implementation in order to develop such awareness;
28. Recognises the current limitations of the CSR 'industry' in relation to corporate behaviour measurement, social audit and certification, especially in relation to cost, comparability and independence, and believes that it will be necessary to develop a professional framework including specific qualifications in this field;
29. Recommends that the Commission extends the responsibility of directors of companies with more than 1 000 employees to encompass the duty for the directors themselves to minimise any harmful social and environmental impact of companies' activities;
30. Reiterates its support for the EU's Eco-Management and Audit Scheme, in particular its requirement for external verification and the obligation on Member States to promote the scheme, and believes that there is scope for developing similar schemes concerning the protection of labour, social and human rights;
31. Supports the Code of Good Practice of the International Social and Environmental Accreditation and Labelling Alliance, as a leading example of promoting collaboration between existing labelling initiatives, in preference to the creation of new social labels at the national or European level;
32. Calls on the Commission to implement a mechanism by which victims, including third-country nationals, can seek redress against European companies in the national courts of the Member States;
33. Notes the omission from the Commission communication on CSR of the issue of socially responsible investment; backs full participation by investors as stakeholders in the CSR debate at the EU level including within the framework of the MSF; supports industry calls for transparency rather than prescription through the introduction of EU-wide "statement of interest principles" for investment funds;

---

<sup>1</sup> OJ L 222, 14.8.1978, p.11, Directive as last amended by Directive 2006/46/EC of the European Parliament and of the Council (OJ L 224, 16.8.2006, p.1)

<sup>2</sup> OJ L 156, 13.6.2001, p.33

<sup>3</sup> OJ L 178, 17.7.2003, p.16

<sup>4</sup> OJ L 345, 31.12.2003, p.64

34. Points out that consumers play an important part in the creation of incentives for responsible production and responsible business practices; believes, however, that the current situation is impenetrable for consumers because of the confusion between different national product standards and labelling schemes, all of which help to undermine the existing social product labels; draws attention to the fact that, at the same time, considerable costs are incurred by companies when switching between many different national requirements and standards; also points out that it is expensive to set up monitoring mechanisms to oversee social product labelling, particularly for smaller countries;
35. Supports the efforts of Eurostat to develop indicators to measure performance related to CSR in the context of the EU Sustainable Development Strategy as well as the Commission's intention to develop new indicators in order to measure awareness and the consumption of EU eco-labelled products and the share of production from EMAS-registered enterprises;
36. Recalls previous consideration given to the appointment of an EU ombudsman on CSR to undertake independent enquiries on CSR-related issues at the request of companies or any stakeholder group; invites further reflection about this and similar proposals in the future;

### ***Better regulation and CSR***

37. Believes that CSR policies can be enhanced by better awareness and implementation of existing legal instruments; calls on the Commission to organise and promote awareness campaigns and monitor the implementation of the application of foreign direct liability according to the Brussels Convention, and on the application of Directives 84/450/EEC<sup>1</sup> on misleading advertising and 2005/29/EC on unfair commercial practices to adherence by companies to their voluntary CSR codes of conduct;
38. Reiterates the need to use simple, easily understandable language so as to encourage companies to promote CSR;
39. Restates that major efforts should be undertaken by the Commission and Member State governments at national, regional and local level to use the opportunities provided by the revision of the public procurement Directives in 2004 to support CSR by promoting social and environmental criteria amongst potential suppliers, while recognising the need to avoid imposing additional administrative burdens on small enterprises, which might dissuade them from tendering, and to disqualify companies where necessary including in instances of corruption; calls on the Commission, the European Investment Bank and the European Bank for Reconstruction and Development to apply strict social and environmental criteria to all grants and loans allocated to private sector companies, backed by clear complaints mechanisms, building on the example linking public procurement and compliance with the ILO Core Conventions and OECD Guidelines for Multinational Enterprises in the Netherlands and with the SA8000 CSR standard by several Italian provinces; recalls that Member States should take steps to ensure that any export credit guarantees comply with the highest environmental and social criteria and should not be used for projects that run counter to agreed EU policy goals concerning, for example, energy or armaments;

---

<sup>1</sup> OJ L 250, 19.9.1984, p.17.

### *Mainstreaming CSR in EU policies and programmes*

40. Welcomes the commitments of the Commission, repeated in its communication on CSR to support and promote CSR across all of its fields of activity and calls for a major effort to translate these commitments into concrete actions across the board;
41. Believes that the CSR debate must not be separated from questions of corporate accountability, and that issues of the social and environmental impact of business, relations with stakeholders, the protection of minority shareholders' rights and the duties of company directors in this regard should be fully integrated into the Commission's Corporate Governance Action Plan; points out that these issues should form part of the debate on CSR; asks the Commission to take these particular points into consideration and to advance firm proposals to address them;
42. Welcomes direct financial support from the Commission for CSR initiatives, in particular to encourage innovation, to enable stakeholder involvement and to assist potential victims' groups in relation to alleged malpractice including corporate manslaughter; encourages the Commission to develop, in particular, mechanisms that ensure that communities affected by European companies are entitled to a fair and accessible process of justice; underlines the importance of the EU-budget line B3-4000 (item 04 03 03 01) for pilot projects such as those involving employee community engagement, hypothecated funds to support CSR within the CIP, and for 3 % of social sciences and humanities research to be devoted to business in society under the Seventh Research Framework Programme; calls for far greater efforts to be made by the Commission to support CSR in relation to EU companies operating in third countries through its external assistance programmes;
43. Welcomes the commitment to make education one of eight priority action areas, calls for a deeper integration of CSR in the Socrates programme, the provision of a broad range of CSR materials in a future European teaching resource centre, and the creation of a European online directory of business schools and universities on CSR and sustainable development;
44. Encourages initiatives at EU and Member State level to improve the teaching of responsible management and production in Europe's business schools;
45. Points out that social and environmental responsibility applies to governmental and non-governmental organisations as much as it does to business, and calls on the Commission to fulfil its commitment to publish an annual report on the social and environmental impact of its own direct activities, as well as developing policies to encourage the staff of EU institutions to undertake voluntary community engagement;
46. Considers that, as part of CSR, companies could sponsor cultural and educational activities that offer added value to European policies in the field of culture and lifelong learning;
47. Calls on the Commission better to integrate CSR in its trade policies, whilst respecting WTO rules and not creating unjustified trade barriers by seeking to introduce provisions in all bilateral, regional or multilateral agreements binding articles in compliance with internationally agreed CSR standards such as the OECD Guidelines for Multinational Enterprises, the ILO's Tripartite Declaration and Rio Principles, as well as reservation of

regulatory powers on issues of human rights, social and environmental responsibility; welcomes the support given to these objectives in the Commission communication on decent work; repeats its call for Commission delegations in third countries, acting within their competence, to promote and act as contact points in relation to the OECD Guidelines; calls on the Commission and Member States to improve the functioning of national contact points (NCPs) in particular in dealing with specific instances raised concerning alleged violations throughout operations and supply chains of European companies worldwide;

48. Notes the contribution made by the international fair trade movement in pioneering responsible business practices for sixty years and proving that such practices are viable and sustainable throughout the supply chain; calls on the Commission to take the experience of the fair trade movement into account and to explore systematically how that experience could be used in the context of CSR;
49. Asks the Commission to make sure that EU-based transnational companies with production facilities in third countries, in particular those participating in the GSP+ scheme, abide by core ILO standards, social and environmental covenants and international agreements to achieve a worldwide balance between economic growth and higher social and environmental standards;
50. Welcomes the commitment of the European Consensus on Development to support CSR as a priority action; calls for practical action for the Commission's Directorate-General for Development to play an active role in the debate, to examine working conditions and conditions in using natural resources in the developing world, to work with domestic enterprises as well as the overseas operations of EU companies, sub-contracting enterprises and their stakeholders, to tackle abuse and malpractice in supply chains, to combat poverty and to create equitable growth;
51. Suggests that the Commission target the participation of SMEs in CSR through joint working with intermediary bodies, offering specific support for the participation of cooperatives and social economy businesses through their specialist associations, use the network of European Information Centres to promote CSR initiatives directly, and consider the appointment of a CSR envoy, similar to the SME Envoy within the Commission's Directorate-General for Enterprise and Industry;
52. Recommends that the Commission conduct an in-depth Europe-wide study on the different ways in which SMEs might participate in CSR and on the incentives for them to adopt CSR principles on a voluntary individual basis, and that it learn the proper lessons from the experience acquired and good practice in this area;
53. Welcomes the commitment in the Commission communication on CSR to enhance the participation of employees and their trade unions in CSR and reiterates its call for the Commission and social partners to build on the successful negotiation of now 50 International Framework Agreements and 30 European Framework Agreements in relation to mainly core labour standards for individual companies or sectors as one approach to developing corporate responsibility in Europe and the world; refers to the European works councils which are particularly suited to promoting CSR and, in particular, to advancing workers' fundamental rights in multinational companies;

54. Stresses the importance of the role of the social partners in promoting women's employment and combating discrimination; encourages the social partners to take initiatives, within a CSR framework, to encourage increased participation of women in company boards, works councils and social dialogue bodies;
55. Recommends that future CSR research go beyond the simple 'business case' for CSR, to focus on the link between competitiveness and sustainable development, at the macro level (the EU and the Member States), the meso level (industry sectors and supply chains) and the micro level (SMEs), and the interrelationship between them, as well as the impact of current CSR initiatives and possible violations of CSR principles; supports the leading role played by the European Academy of Business in Society in this respect; calls on the Commission to publish an authoritative 'Annual State of CSR' drawn up in cooperation with independent experts and researchers collating existing information, describing new trends and providing recommendations for future actions;

### ***Europe's contribution to global CSR***

56. Believes that the potential impact of CSR policies remains greatest in relation to companies' global supply chains, to enable responsible investment by companies to assist in the fight against poverty in developing countries, to promote decent working conditions, to support principles of fair trade and good governance, as well as to reduce the incidence of breaches of international standards, including labour standards, by corporations in countries where regulatory regimes are weak or non-existent;
57. Calls on the Commission to launch specific research into the impact of CSR policies and to put forward proposals to increase responsible investment by firms and their responsibility;
58. Recognises that a number of international CSR initiatives are more deeply rooted and have attained a new maturity, including the recent publication of the Global Reporting Initiative's G3 Sustainability and Reporting Guidelines, the removal of 200 companies by UN Global Compact and the appointment of a UN Secretary-General Special Representative on business and human rights;
59. Expresses disappointment that the Commission did not accord greater priority to promoting global initiatives in its communication on CSR and calls on the Commission working with Member States and stakeholders both to develop a strategic vision and to contribute to the development of CSR initiatives at a global level, as well as a major effort significantly to raise participation in such initiatives by EU companies;
60. Calls on the Member States and the Commission to support and promote respect for ILO core standards as a factor in the CSR of undertakings in the areas in which they operate;
61. Believes that the international dimension of CSR should be a stimulus for guidelines to be drawn up promoting the development of such policies throughout the world;
62. Calls on the Commission, working with other relevant partners, to organise a major international initiative in 2007 to mark the fifth anniversary of the commitment agreed at the World Summit on Sustainable Development to undertake inter-governmental initiatives in the field of corporate accountability;

63. Calls on the Commission to build on the success of the transatlantic business dialogue on CSR that took place during the 1990s, by organising a similar exercise between the EU and Japan;
64. Encourages the further development of international initiatives for full revenue transparency by European companies on their activities in third countries, to uphold full respect for human rights in their operations in conflict zones and to reject lobbying including 'host-country agreements' drawn up by companies to undermine or evade the regulatory requirements in such countries;
65. Calls on the Commission and the Member States to contribute to supporting and strengthening the OECD Guidelines for Multinational Enterprises, in particular by conducting a review of the functionality of European NCPs and their role in effectively mediating between stakeholders to resolve conflicts; calls for the development of a model for European NCPs including best practices on their institutional set-up, visibility, accessibility for all stakeholders, and handling of complaints; calls for a broad interpretation of the definition of investment in the application of the OECD Guidelines to ensure supply-chain issues are covered under implementation procedures;
66. Calls for support for the development of the Global Reporting Initiative by inviting leading EU companies to participate in new sectoral approaches covering such areas as construction, chemicals and agriculture; to foster research on participation by SMEs, to enable outreach work particularly in central and eastern European countries, and to develop sustainability indices in conjunction with stock exchanges in emerging markets;
67. Calls on the Commission to include in future cooperation agreements with developing countries chapters on research, monitoring and help to remediate social, human and environmental problems in operations and supply chain of EU-based companies in third countries;
68. Welcomes, in principle, the discussions taking place in the International Organization for Standardization on the creation of a standard for social responsibility and calls on European representation to ensure that any outcome is consistent with international standards and agreements, and allows an opportunity to develop parallel methods of external assessment and certification;
69. Instructs its President to forward this resolution to the Council, the Commission and all institutions and organisations named within it.