

The European Alliance for CSR

CSR Laboratories' Activity Review

January 2009 - March 2010

CSR Europe's Contribution to the European Alliance for CSR

Making Europe a Pole of Excellence on CSR



With the support of the European Commission, DG Employment and Social Affairs





Introduction

Dear Members,

We are pleased to present you with this brief overview of the activities of the CSR Laboratories, collaborative projects under the umbrella of the European Alliance for CSR, from January 2009 to March 2010.

The activities covered in this review build upon the work of the Laboratories in 2006-2008. The first outcomes of the Laboratories were published in December 2008 as part of CSR Europe's Toolbox for a Competitive and Responsible Europe (www.csreurope.org/toolbox).

In 2009, CSR Europe, together with our corporate members and national partners, organised Roadshow sessions and other activities to further develop the CSR tools and networks created by the Laboratories and engage with companies and stakeholders across Europe.

These successful initiatives have been possible thanks to your valuable and constructive support. We would like to thank you all for your active participation.

Taking into account the European Commission's new "EU 2020" strategy, which includes a strong commitment to further develop CSR in Europe, we hope to build on the experience of the Laboratories and count on your support to make our new initiative, Enterprise 2020, an even greater success.

CSR Europe's team

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1. The European Alliance for CSR in a Nutshell

The European Alliance for CSR is an open partnership for enterprises and their stakeholders to promote corporate social responsibility and integrate it into mainstream business practice. Since 2006, around 150 businesses and 60 business organisations have expressed their voluntary support to the Alliance.

Background

On 22 March 2006, the European Commission published a new communication on CSR, titled "Implementing the Partnership for Growth and Jobs: Make Europe a Pole of Excellence on CSR", in which the Commission stressed the potential of corporate social responsibility to contribute to the European Strategy for Growth and Jobs. At the same time, the Commission announced its backing for the European Alliance for CSR. It was also agreed that the coordination and communication of Alliance activities would rely on existing business-driven structures involved in the CSR domain, namely CSR Europe, BUSINESSEUROPE and UEAPME.

Priority Areas for Action (2006 – 2010)

The Alliance was launched as a political umbrella for mobilizing the resources of large and small European companies and their stakeholders in and around **ten priority areas**:

- Fostering innovation and entrepreneurship
- Helping SMEs to flourish and grow
- Integrating CSR in business operations
- Developing skills for **employability**
- Promoting diversity and equal opportunities
- Improving working conditions, also in the supply chain
- Innovating in the environment field
- Enhancing stakeholder dialogue and engagement
- Improving transparency and communication
- Operating responsibly outside the EU

Practically, the Alliance has helped cast a light on innovative CSR practices and stimulate new ones, further ease private initiatives in the area of CSR, enable networking and the exchange of experiences and knowledge, support capacity building, and encourage the development of joint projects between companies and their stakeholders.

Activities in 2009

This review focuses on the following activities through which companies and organizations have continued to bring the Alliance to life in 2009-2010:

- 1) Engaging in CSR Laboratories
- 2) Participating in **Roadshow sessions** and exchanging **good practice** on CSR

2. CSR Laboratories - The Power of Collaboration

At the heart of the Alliance have been the CSR Laboratories, **business-driven and action-oriented projects** aimed to address socio-economic challenges in and around the priority areas of the Alliance by bringing together business practitioners, stakeholders and representatives of the European Union to share experience and explore joint operational projects.

Since the beginning of 2007, **21 Laboratories** have been set up. Together, they have involved 200 businesses and stakeholder representatives throughout Europe.

The CSR Laboratories were designed to explore innovative models of business-stakeholder cooperation and produce practical tools for tackling CSR challenges. The first results of the Laboratories were launched in December 2008 as part of CSR Europe's Toolbox for a Competitive and Responsible Europe. More information about all Laboratories is available www.csreurope.org/toolbox.

21 Laboratories launched from 2007

Integrated Workplace

Whistling in Tune

- Mainstreaming Diversity
- Gender Equality
- Management of Foreign Workers
- Wellbeing at Work

Human Capital

Empowering Knowledge

- Demographic Change
- Skills for Employability
- Employee Community Engagement
- Science in Schools
- Entrepreneurship Education*

Sustainable Production & Consumption

Treading Lightly

- **Eco-Efficiency**
- Environment and the Financial Sector*
- Sustainable Marketing

Communication & Transparency

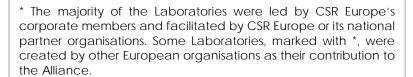
Competing for trust

- Stakeholder Engagement
- Market Valuation of Non-Financial Performance
- Sectoral CSR Reporting*

(R) Evolutionary Business Models

Pioneering Growth

- Base of the Pyramid
- Supply Chain Management
- Financial Inclusion*
- Social Inclusion*
- R&D Innovation Networks
- Local Engagement of Commerce Companies*





Integrated Workplace

Mainstreaming Diversity in the Company

This Laboratory was launched to explore ways of mainstreaming diversity management within and across companies, focusing primarily on management processes related to issues such as recruitment, training, work/life balance, internal and external communication, evaluation, internal mobility and Key Performance Indicators. Read more online.



Leader: L'Oréal / Facilitator: IMS Entreprendre pour la Cité, CSR Europe.

Equality between Men and Women

The Laboratory explored how to support companies in the implementation of gender equality and work/life balance programmes by comparing the groups' 10 key recommendations with the findings of a comprehensive study on the challenges faced by working women in Italy. Read more online.

Leader: IBM / Facilitator: SODALITAS.

Recruitment and Ethical Management of Foreign Workers

To help employers and civil society better coordinate support for immigrants, Obiettivo Lavoro and Impronta Etica investigated how to overcome barriers faced by all parties at each step of the integration process of foreign workers. "A People-Centered Approach to Labour Migration" was based on a multi-stakeholder approach, meaning that the guidelines for action at each stage were best followed by cooperative efforts of both companies and civil society based organizations. Read more online.

Leader: Obiettivo Lavoro / Facilitator: Impronta Etica.

Wellbeing at the Workplace



This Laboratory was launched to support companies in addressing the essential aspects of a wellbeing promotion strategy, such as prevention, identification and support, and reintegration into the workplace. This work directly supported the European Commission's "European Pact for Mental Health and Well-being" (June 2008) which highlighted the strong and direct links between mental and physical wellbeing and a competitive and responsible Europe. In 2009 and

2010, the laboratory brought companies together to understand, share and identify current practices targeting ageing employees that best demonstrate how to adapt working conditions to turn the current demographic trend into a business opportunity. In light of this topic, various materials have been developed such as a position paper, "tips" as well as the collection of corporate practices in order to demonstrate the necessity of developing active age management strategies in the workplace and the need for a European legal framework which looks to integrate older people more effectively within the workplace. Read more online.

Leader: Johnson & Johnson / Facilitator: CSR Europe

(R) Evolutionary Business Models

Sustainable Business at the Base of the Pyramid



Although Base of the Pyramid is a relatively new concept, many projects are already in progress across developing and transitional economies. To improve the development benefits and to expand base of the pyramid projects, participants in this Laboratory worked closely with the European Commission to identify potential synergies between companies, stakeholders and public donors such as the EC.

Read more online.

Leader: DANONE / Facilitator: CSR Europe, IMS Entreprendre pour la Cité

Responsible Supply Chain Management

This Laboratory was created to raise awareness and build capabilities of suppliers, buyers and

other practitioners with a stake in responsible supply chain management. To reach this goal, the Laboratory developed a <u>European Portal for Responsible Supply Chain Management</u>, already used by more than 18.000 visitors. In June 2009, a Chinese version of the portal was launched in cooperation with China WTO Tribune/Development Center for Chinese CSR and other partners. <u>Read more online</u>.



Leader: HP, L'Oréal, TITAN, Volkswagen / Facilitator: CSR Europe, BSCI, HNCSR

Financial Inclusion: Sustainable Services for Underserved Potential Customers



Through a series of quantitative and qualitative surveys, Associazione Bancaria Italiana and Sodalitas identified the barriers which keep 'unbanked' and 'underserved' segments of society from full integration into the social and economic fabric of Italy. These findings represented the output of the Financial Inclusion: Sustainable Services for Underserved Potential Customers Laboratory. Read more online.

Leader: ABI - Associazione Bancaria Italiana / Facilitator: Sodalitas

Business' Involvement to Enhance Social Inclusion at Local Level

Particularly difficult in many European communities is the ability of vulnerable and low income citizens, migrants, under-skilled workers and youth to become active participants in society and in the wider economy. European savings banks, with their vast network and proximity business approach, were well placed to identify and respond to community needs. Drawing on the collaborative work of its members, the European Savings Banks Group (ESBG) explored the key success factors and lessons learnt from business involvement in local social projects. Read more online.

Facilitator: European Saving Bank Group (ESBG)

R&D Innovation Networks with Universities and SMEs

Expand the impact of the knowledge economy through cooperation and exchange of knowledge was the aim of this Laboratory. By developing a model based on best practices designed to enhance the effectiveness of innovation networks, this Laboratory helped to support SMEs' commitment to innovation and improve their competitive performance. Read more online.

Leader: STMicroelectronics, Confindustria, Numonyx, Bracco / Facilitator: Sodalitas

Local Engagement of Commerce Companies

The purpose of the Laboratory was to enhance the commerce sector's visibility in the business community and to raise awareness and motivate traders to get actively engaged in their communities and thereby contribute to the sustainable development of their surroundings. In this way, the Laboratory examined concrete fields of local engagement and elaborated guidance for companies on how to become active and to attain their specific goals. For more information, contact EuroCommerce.

Leader: EuroCommerce

Sustainable Production & Consumption

Eco-efficiency

In this Laboratory, ST Microelectronics, ABB, Telecom Italia, Enel, Indesit and Sodalitas gathered together best practices from large multinationals and focused on making them transferable to SMEs. The result was a set of user-friendly guidelines providing practical advice for SMEs on how to improve their energy efficiency. Built on the 3-E's principles: *Ecology, Efficiency* and *Economy*, the Guidelines helped companies comprehend how to: measure

consumption, develop action plans, monitor progress, and identify improvement areas and define benchmarks. Read more online.

Leader: STMicroelectronics / Facilitator: Sodalitas

Environment and Financial Institutions

The activities of financial service companies have typically been considered to have a low direct environmental impact. However, financial institutions can and do have serious indirect impact on the environment through their credit and investment policies, industrial portfolio engagement and asset management. In order to address this issue, this Laboratory was established to gather best practice examples that will guide Spanish banks in managing their direct (operational) and indirect (financial) environmental impacts. Read more online.

Leader: Bancaja, Cajasol / Facilitator: Confederación Española de Cajas de Ahorros (CECA)

Sustainable Marketing

Marketers, as communicators and influencers of culture, are in a privileged position to make a difference to their companies' 'triple bottom line'. However, marketing departments have traditionally been quite reluctant to integrate CSR and sustainability agendas into their work. In this way, this Laboratory was created to provide marketers with both basic and more advanced tools to put sustainable marketing into practice. Read more online. Leader: BT / Facilitator: CSR Europe

Communication & Transparency

Proactive Stakeholder Engagement

This Laboratory increased the understanding of various innovative approaches towards stakeholder engagement mapping out proactive ways in which companies can engage with stakeholders (e.g. government(s) at various levels, NGOs, employees and trade unions) and exploring opportunities for joint action. Read more online. Leader: TOTAL, GDF Suez / Facilitator: ORSE, CSR Europe



Corporate Responsibility and Market Valuation of Financial and Non-Financial Performance



This Laboratory, led by Lloyds TSB and Telecom Italia - in conjunction with CSR Europe, the European Academy for Business in Society (EABIS, through the sponsorship of Microsoft, Unilever, IBM, Shell, Johnson & Johnson), Cranfield School of Management, European Federation of Financial Analysts (EFFAS), Eurosif and Sodalitas, makes the case that better mutual understanding between companies

and investors around the sources of non-financial performance is a key driver for more accurate analysis of long-term business value. This laboratory has resulted in a European Framework that explains the potential links between financial and non-financial performance and a final EABIS research report which looks at how ESG factors impact business success, how companies explain these linkages to investors, and how the investment community treats this data. The leaders of this Laboratory played a pro-active role in the recent European initiative on ESG Disclosure (DG Enterprise). They also are a catalyst for the new European Combined Reporting Alliance for ESG that includes organizations such as EFFAS, Eurosif, the Prince's Charities "Accounting for Sustainability", WICI and Railpen Investments. Read more online.

Leader: Lloyds TSB, Telecom Italia / Facilitator: CSR Europe, Sodalitas, EABIS

Sectoral CSR Reporting

The Laboratory has sought to address the lack of accessible data on companies' social and environmental impact, especially as it relates to key stakeholders. Its main objective has been to contribute to the transparency and communication of banks, to better the understanding of stakeholders and the general public. In this way, The Conferación Española de Cajas de Ahorros (CECA), in partnership with 23 of its members and with leadership from Caja Granada

and Caja Madrid, addressed this issue by gathering data on the Spanish saving bank sector's current reporting practices and exploring possibilities to streamline reporting across CECA's network in line with the Sectoral Aggregate Reporting guidelines of the Global Reporting Initiative (GRI). Read more online.

Leader: Caja Granada, Caja Madrid / Facilitator: Confederación Española de Cajas de Ahorros (CECA)

Human Capital

Demographic Change

Regions and companies alike are faced with the challenge of confronting and properly addressing issues associated with demographic change, as many skilled people exit the workforce and population movements shift the demand for and supply of labour. The relevance to business strategy is clear, but until BASF, SAP and Evonik teamed up with econsense, there was little preparatory work done in this field. This CSR Laboratory, with supporting research from the Rostock Centre, has conducted an extensive study of the effects of demographic change in Europe and made the findings available through interactive online tools. Read more online.

Leader: BASF, Evonic, SAP /Facilitator: Econsense

European Alliance on Skills for Employability

This Laboratory explored the value of employee volunteerism through case study analysis and to demonstrate the value of employee community involvement in terms of improving and developing employability skills and competencies, as well as enhancing diversity and social inclusion of the people who are deemed "at risk". In this way, Microsoft, Cisco, State Street and Randstad teamed up with Exin and Comptia to build the foundations of employability through a network based on a "value chain" approach in which each partner brings its core competencies. Read more online.

Leader: Microsoft, State Street, Randstad, Cisco / Facilitator: ECONET, CSR Europe.

Skills for Employability Enhanced through Employee Community Engagement

The purpose of the Laboratory was to bring together organizations from across the UK and continental Europe to explore and demonstrate the value of employee community engagement (ECE) in terms of improving employability skills and competencies among disadvantaged and socially excluded groups. Read more online.

Leader: Citi, KPMG, Freshfields Bruckhaus Deringer / Facilitator: BITC, ENGAGE

Enhancing Science Teaching in the Schools

The objective of this Laboratory was to increase the attractiveness of Mathematics, Science and Technology (MST) to schoolchildren through collaborative networks established in 10 countries with 30 organizations and MST education groups. Science in Schools was intended to be a **long-term strategic program** to align industry and government interests to increase the number of graduates entering careers in science and engineering. Read more online.



Leader: IBM /Facilitator: CSR Europe

Stimulating an Entrepreneurial Mindset and Promoting Entrepreneurship Education

Entrepreneurial skills and attitudes are not sufficiently encouraged amongst young people. This has a negative impact on the long-term success of European economies. BUSINESSEUROPE initiated this Laboratory to explore concrete pathways by which businesses could support entrepreneurship education and the creation of a more entrepreneurial mindset. Read more online.

Leader & Facilitator: BUSINESSEUROPE

3. Equipping companies and stakeholders across Europe for CSR

The exchange of best practices among the business community and between business and their stakeholders, such as policy makers, consumers, investors, trade unions, NGOs and investors, is an important facet in furthering understanding and innovation on CSR. In 2009-2010, the Alliance partners have contributed to this objective in various ways, building on the work of the CSR Laboratories.

20 call trainings...

30 national sessions...

across 18 European countries... with around 2,500 participants... and over 17,300 website visits per month



Roadshow Sessions



 London: Proactive Stakeholder Engagement



- Dublin: Financial Inclusion Lab.
- Dublin: Launch of Enhancing Science in School Initiative in Ireland
- · Cork, Ireland: Wellbeing in the Workplace Lab.



Stockholm: Proactive Stakeholder Engagement, Demographic Change and Skills for Employability



2009

Brussels: Enhancing Science in Schools

• Brussels: ABI's Financial Education

Brussels: Proactive Stakeholder Engagement



Luxembourg: Wellbeing and Diversity Lab.



- Paris: Business Involvement to Enhance Social Inclusion
- Paris: Skills for Employability Enhanced Through Community Engagement
- Paris: Demographic Change Lab.
- Paris: Market Valuation, Financial Sector and CSR Reporting



2009 Bratislava: Eco-Efficiency



2009

- Madrid: Recruitment and Ethical Management of Foreign Workers by Foretica
- Madrid: Launch of the CSR Toolbox by Foretica



2009

• Lisbon: Responsible Supply Chain Management



- Bologna: Enhancing Science in Schools
- Milan: Sustainable Marketing
- Bologna: Mainstreaming Diversity
- Milan: Responsible Supply Chain Management



Athens: Equality Between Men a Women

- Budapest: Sustainable Marketing Guide
- Budapest, Hungary: CR and Market Valuation



 Istanbul: European Skills for Employability and Financial



Beijing: Launch of Chinese version of the Portal on Responsibility Supply Chain

Full map of national sessions

Further information: www.csreurope.org/pages/en/roadshow.html

The European Toolbox Roadshow

We are happy to highlight our **European Toolbox Roadshow** has been a successful initiative which gave CSR Europe's membership an opportunity to understand how they can benefit from the specific tools and learn about the activities of the CSR Laboratories.

From January 2009 to March 2010, CSR Europe and its national partners, in cooperation with business leaders and stakeholder participants, organized national sessions on the CSR tools and networks developed by the Laboratories as part of a European Toolbox Roadshow. The objective was to further disseminate information on the work of the Laboratories, provide opportunities for exchange and equip companies and stakeholders with relevant, useful and practical CSR tools. The sessions were organized using different formats, such as trainings, workshops or conference sessions. In total, more than 30 sessions were held, with over 2,000 participants across Europe.

MarketPlace Events



With regards to the Roadshow, we would like to highlight the MarketPlaces on CSR which took place in Hungary, Turkey and Sweden from mid 2009 to the end of the year and were organized by KÖVET Association, CSR Turkey and CSR Sweden respectively, three NPOs of CSR Europe. These events were great opportunities for sharing solutions on CSR business challenges in an informal, exchange-driven and creative environment.

Training Webinars

In spring 2009, CSR Europe organized a series of **interactive training webinars** for members and national partners with the aim of providing participants a practical introduction to using the tools developed by the Laboratories. In total, 20 sessions were held on different topics, with around 300 participants in total.

Communication Activities

Additionally, CSR Europe has promoted the CSR Laboratories and the European Alliance for CSR through various communication channels:

- **Publications:** In 2009, CSR Europe published an updated Roadshow edition of the "Toolbox User Manual" presenting all CSR Laboratories.
- **Newsletter:** CSR Europe's member newsletter is sent bi-weekly to around 1,200 subscribers in member companies, national partners and key stakeholder organizations, many of whom distribute it further within their organizations.
- Website: Information on Alliance activities has been included in the main website of CSR Europe (17,280 unique visitors per month) as well as in the subsections dedicated to the CSR Toolbox and the European Alliance for CSR.
- Videos: A short video introducing the Toolbox and separate video interviews with Laboratory leaders and other company representatives have been published on CSR Europe's website and on YouTube (around 1,700 views in total) as well as shown at relevant events and meetings.
- Media articles: In 2009, around 60 articles published in print or electronic media covered CSR Europe's activities around the Alliance, the Laboratories and the Toolbox, including specialized trade publications (e.g. Supply Management, Personnel Today), CSR publications (e.g. Ethical Corporation, CSR-News, Responsible Investor), and general and business media (e.g. De Standaard/BE, Ethnos/GR, Cinco Dias/ES, China Radio International/CN).
- **Presentations at conferences and other events**: Representatives of CSR Europe's secretariat and membership have presented the activities at various conferences and events in and outside Europe.

CSR Europe's Corporate Members



































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GROUPE LA POSTE

































































































CSR Europe's National Partner Organisations

























































