

Government and Corporate Social Responsibility

An Overview of Selected Canadian,
European and International
Practices

CANADIAN BUSINESS FOR SOCIAL RESPONSIBILITY

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Government and Corporate Social Responsibility: An Overview of Selected Canadian, European, and International Practices

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Acknowledgements

Canadian Business for Social Responsibility (CBSR) is a not-for-profit membership organisation of for-profit businesses committed to socially responsible policies and practices that actively improve the quality of life in our communities. CBSR's mission is to define, promote, and educate on responsible business policies and practices that benefit employees, communities, the economy, and our environment. CBSR supports socially responsible business practices that benefit a company and its employees, as well as the wider community, the economy, and the environment. (www.cbsr.ca)

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Executive Summary of Report Findings

Canadian Business for Social Responsibility (CBSR) produced the following report through a contribution provided by the BC Green Economy Secretariat (GES). Our intention in creating this report is to create an overview of the support a selection of governments are providing to businesses pursuing socially and environmentally responsible practices.

To put the report in context, the globalization of trade and the expanding interconnectedness of markets and citizens in the last decade has drawn attention to the power of business in terms of its social, environmental, and economic impact. Micro-entrepreneurs to multinationals are paying – or are being forced to pay – greater attention to the ways they operate, to the direct and indirect impact they are having on communities, to the size of ecological imprint they are leaving behind.

The impetus for change is arising on a number of fronts: shifting social values, increasing consumer and shareholder activism, strengthening local and international citizen action, depleting natural resources, and a growing recognition that the costs and benefits of a globalized economy are inequitably shared and dangerously out of balance. Pressures are rapidly increasing for business to responsibly and transparently share leadership with government and civil society to create a more just and sustainable world.

Two major polls of citizens emphasise the shift of consumer attitudes and their expectations of business. The Environics¹ New Millennium Poll surveyed 25,000 people in 23 countries and a Market and Opinion Research International poll² surveyed 12,000 people in 12 European countries. From the survey results both organizations concluded that approximately two thirds of people believe a company's commitment to goals other than profit is important when buying a product or service³. Clearly, consumers care about responsible business practices. This growing consumer concern is creating a market demand for responsible practices, products, and services as well as a social demand of government support and business action.

For the purposes of this report, we chose to focus on government initiatives supporting Corporate Social Responsibility (CSR) in the following jurisdictions:

- **Canada** (Federal and Provincial);
- **Europe** (UK, Denmark, and The Netherlands); and
- **Global** (Multilateral level)

We primarily focused on the social initiatives, touching on environmental initiatives only lightly. We chose this focus because most businesses are more familiar with environmental practices than social practices. In addition, the companies we interviewed for the parallel report to this one, *Socially and Environmentally Responsible Business Practices in British Columbia*, indicated they would like more support in implementing socially responsible practices.

While the scope of this report was to give a broad survey of the initiatives governments in the above jurisdictions have underway in the area of CSR, it is important to recognise that many other noteworthy social and environmental initiatives are also underway in these and other jurisdictions around the world.⁴

¹ See the Environics website at www.environics.org

² See the Market and Opinion Research International website at www.mori.com

³ One company (Max Havelaar) in the Netherlands with a Fair Trade quality mark says that the *Fair Trade* quality mark has a 90% recognition rate amongst consumers in the Netherlands. A CSR label sets the product apart from others in the marketplace.

⁴ For example, in Ireland, where the economy is booming and the unemployment rate has decreased from 17% to 3% since the 1990's, the government is bringing communities, volunteer groups, unions, and businesses together to

Key Findings - Government Support of Corporate Social Responsibility

A high level survey of Canadian government-led initiatives and programs indicates that while corporate social responsibility is increasingly on the formal and informal agendas of government, Canadian efforts are fragmented at best and lack a broad national framework. Departments at the federal level have sustainable development strategies in place, but seem to be universally struggling with how to operationalize the social component. Efforts are underway to find channels to promote the recently revised OECD⁵ Guidelines for MNEs for Canadian companies through federal departments.

Of note is work underway by the Department of Foreign Affairs conducting a variety of cross-sector dialogues between corporations and NGOs to determine how to embed human rights in trade practices, and the Voluntary Codes Research Forum created by Industry Canada to facilitate cross-sector discussion of the role of standards. An interdepartmental committee ('Club C') composed of representatives from a number of federal departments meets regularly to discuss CSR-related issues, but lacks an official mandate, accountability, leadership, and does not have a prominent or formal role in government.

There is little evidence of links between federal and provincial initiatives supporting CSR activities in Canada. Differences in policy, corporate tax and corporate law, business relationships, specific programs and issues across the provinces, and political jurisdictions no doubt further constrict these efforts; however, our preliminary search of provincial websites on 'corporate social responsibility' or 'sustainability' derived little evidence of provincial or federal government support for business in CSR practices.

The Canadian Government seems to be lagging in comparison to the other jurisdictions we investigated in terms of having a strategic focus or demonstrated commitment to CSR. CSR is seen as a competitive advantage in the UK, Denmark, and the Netherlands – recognized leaders in supporting CSR practices. These governments have created initiatives to bring positive attention and a 'buzz' to CSR across the private and public sectors. Highlights include:

- In March 2000, the European Council Summit set a new strategic goal to turn Europe into the most socially vital and economic booming region of the world by 2010. Through the Copenhagen Centre and CSR Europe, two leading European CSR organisations, business has responded with the European 2005 Business Campaign for Sustainable Growth and Human Progress – an effort to mobilize business, build stakeholder dialogue, and promote innovative practices and partnerships.
- In March 2000, the UK appointed the first Minister for Corporate Society Responsibility to provide a strategic focus and leadership on CSR issues across departments of the UK government.
- The UK Department of International Development is a founding partner in a cross-sector partnership for Ethical Trade and is testing monitoring and verification systems in developing countries.
- In Denmark, the Social Affairs Ministry created a pool of seed funding for experiential learning and promotion of good CSR practices and funded over 200 projects for companies and municipalities to date and has had some ground breaking results.
- The Danish Ministry also created a Social Index to determine to what degree a company lives up to its social responsibilities and is developing social accountability by auditing its public enterprises, institutions and administrations.

create an economic, social, and cultural strategy for the country. This will allow Ireland's government to create a blueprint for public services, social inclusion of poorer communities, and cultural expression, and to formally plan the kind of society they want for the future.

⁵ OECD – Organization of Economic Co-operation and Development – The OECD comprises members of 29 governments of countries that are the source of most of the world's direct investment flows and home to most multinational enterprises.

- In the Netherlands, the government launched a national campaign – ‘Time to Participate’ – to promote social integration partnerships. Today the campaign has 800 representatives from business, government, and non-profit social and environmental organisations signed up to participate.

A considerable number of multilateral government organisations are working on issues of social and environmental responsibility on a global level. Highlights include work in the area of developing principles and guidelines (The Global Compact, OECD Guidelines); accounting and reporting (Global Reporting Initiative); human rights (Sullivan Principles, work of the ILO and the UNDP); cross-sector partnerships (World Bank Business as Partners in Development model); and the environment (World Business Council on Sustainable Development’s Eco-Efficiency Performance Platform work in the area of indicators and reporting; The United Nation’s Environmental Programme’s preparation for the tenth anniversary of Agenda 21).

Key Recommendations for Canadian Governments

The following are our key recommendations for actions Canadian governments (federal, provincial, and municipal) can take to support businesses to become more socially and environmentally responsible.

Establish Leadership and Demonstrate Commitment

As it appears there is not a key leader or clear accountability for promoting and supporting business in adopting socially responsible practices, we recommend the following:

- Appoint a Minister of CSR to lead and be accountable across federal departments (per the UK example) at the domestic and international level.
- Develop Departments of CSR at the Federal and Provincial levels to provide leadership, accountability, access, and integrated business support. Formalise and extend the work of agencies like the BC Green Economy Secretariat to address the needs and desires of business.
- Formalise and promote the work of ‘Club C’ and set a clear strategy with both independent and synthesised Federal Departmental mandates; involve Provincial representation at the Federal level in ‘Club C’ and consider setting up ‘Club C’s at the Provincial Level; involve non-governmental voices.
- Develop a Canadian CSR Advisory Network – Build on the example set in 1996 by the Danish Minister of Social Affairs, and create a network of CSR leaders from the private and public sectors (representing large and small organisations) to discuss the key issues, to engage other companies in CSR initiatives, and to promote greater corporate social commitment and cross sector partnerships.
- Assume a leadership role rather than a facilitative role in encouraging CSR practices and cross-sector engagement by Canadian business leaders operating domestically and internationally, promoting the benefits of accountability, transparency, and stakeholder dialogue.
- Become an international model for other governments of excellent CSR policies and practices.

Communication

At the moment, there is very little readily accessible information available on what the Canadian government is doing in the area of CSR. With this in mind, we recommend:

- Develop a centralized Canadian Government CSR website, outlining the current government CSR initiatives and strategies underway (e.g., Voluntary Codes and OECD Revised Guidelines). Link this site to the provincial websites and to their specific CSR activities.

- Provide links on this website to CSR organisations across Canada to promote their activities (tools, resources, partnerships), build their networks, and share the lessons learned by their members.
- Host a roundtable of CSR organisations to help set government CSR strategy and bring the voices of a wide range of business representatives to the table.
- Promote the work of Canadian companies doing cutting-edge CSR work to model CSR for other businesses.
- Set a National CSR Agenda – Conduct a series of cross-country meetings with business and community leaders to better understand the breadth of issues and tap into the wealth of ideas, experiences, and viewpoints to provide a model for cross-sector dialogue and collaboration.

Action

Leadership and communication must be supported by concrete initiatives that demonstrate both commitment to and support of business and CSR practices. We recommend the following as a starting point:

- Small Business Support – Build on the example set by the UK Department of Trade and Industry and its newly formed ‘Small Business Service’ and focus on promoting CSR through small businesses in under-represented groups and in disadvantaged communities in society.
- ‘Company Pond Initiative’ – Follow the example set by the Danish government and encourage businesses to engage in social responsibility and partnership projects. Establish a pool of government seed funding for projects related to CSR to develop experiential learning and to promote good practices on issues ranging from establishing social networks between companies to developing social partnerships with the community to minimising environmental impact.
- Voluntary Reporting – Build on the work already underway at the Federal level in the area of investigating and encouraging voluntary reporting initiatives. A Canadian model exists in the area of greenhouse gas emissions through the Voluntary Challenge and Registry (www.vcr-mvr.ca). This could be included on the Canadian Government CSR website, and promoted through a wide range of cross-sector organisations.
- International Codes – Instead of creating new Canadian codes of business conduct, promote the use and understanding of existing international codes to ensure Canadian companies are working to achieve and exceed international standards.
- Canadian CSR Conference – There have been many international conferences held on the topic of CSR. The Canadian Government’s support of an international CSR conference for cross-sector participants would send a strong signal that this is an issue of importance to Canada and would provide an opportunity to profile Canadian businesses and their best practices and challenges at home and abroad.
- Non-profit Capacity Building/ Mentoring – In order to engage social and environmental non-profit organisations in the support and promotion of corporate responsibility and accountability, it is important to provide support to these organisations in the form of developing management expertise and to build awareness of their own organisation’s accountability. As limited resources are a key issue for this sector, consider funding workshops and training courses to help them run their organisations more effectively, possibly involving a business mentoring program that will help share lessons learned and build cross-sector understanding.
- The Business Case for CSR – Support and promote the business case for CSR by articulating the advantages it brings, from the benefits of stakeholder engagement to attracting investors to encouraging the development of business management and accounting systems to support transparency, accountability, and sustainable practices.

Key Recommendation for Canadian Business for Social Responsibility

Our key recommendation for how CBSR can assist Canadian governments in supporting businesses to become more socially and environmentally responsible is the counterpart to our recommendation for government in the parallel report to this one: *Socially and Environmentally Responsible Business Practices in British Columbia: Opportunities and Realities*. In that report we recommend that government assume the role of enabler by partnering with organizations such as CBSR that are promoting the CSR mandate. We recommend in this report that CBSR share its information (e.g., Revised CBSR Guidelines, A BC Perspective on CSR Practices, Human Rights Roundtable Findings, CBSR newsletters and events, and so on) with government on a broad level and act as a voice for its members by engaging government support for further work in CSR.

In addition, CBSR can work throughout Canada and internationally with other CSR organisations and governments to share lessons learned on new initiatives and opportunities for government, working to broaden both the public and private sector understanding of CSR practices and principles.

Recommendations for Further Research

Based on the findings of this report, we put forward the following recommendations for further research:

- Due to the fact that our initial research showed many initiatives, our first recommendation is to do a more comprehensive survey of government support for CSR in other countries, reviewing which projects have had the highest impact and determining if they are reproducible in BC and Canada.
- In addition, we suggest a deeper investigation into support for CSR at the provincial government level in Canada. What is or isn't happening and why? What will it take to get CSR further onto provincial agendas?
- A deeper investigation into support for CSR in the US federal and state governments. This investigation could focus on industry-specific research that can be compared to Canadian industry practices.
- An investigation of other national governments supporting CSR (e.g., Australia, Sweden, and so on).
- As much of the leading work in CSR is being done by non-governmental organizations, it is important and useful to tap into this work. We recommend an investigation of non-governmental organisations – both in Canada and internationally – working in the area of CSR.

Government support of Corporate Social Responsibility

Overview

The challenge for governments around the world is to determine how best to address the realities facing businesses today and support responsible and sustainable business practices. The following report provides a survey of just some of the government-led initiatives and programs in place today that support businesses to adopt socially responsible business practices. The scope of this report provides a high-level perspective on the following jurisdictions:

Canada (Federal and Provincial)

We begin with an overview of government-led CSR initiatives in Canada. Our research focuses on Federal Government initiatives at the domestic and international level, as well as regional and provincial initiatives of special interest.

Europe (UK, Denmark, The Netherlands)

Much of the leading corporate social responsibility continues to come out of Europe. Our research highlights three of the European leaders: the UK, Denmark, and the Netherlands.

Global (Multilateral Level)

As trade and the impact of trade is increasingly felt on a global level, governments, companies, and civil society organisations are looking to international standards to develop guidelines and benchmark best practices. This report highlights key CSR initiatives that are already underway in a number of multilateral organisations.

Canada

(Provincial and Federal)

Federal Level

CSR is beginning to appear on the formal and informal agendas of the Canadian Federal Government. Traditionally, the Federal government has focused on spheres of labour, trade, human rights, and the environment, with each ministry or department dealing with a narrow set of issues. With the exploding effects of globalization has come the reality that more companies than ever are entering the international realm and thus are having a greater impact on communities and environments at home and abroad. As the public and private expectations of business grow, the Canadian Federal Government is just beginning to widen its traditional focus to address the expanding CSR movement.

Our research indicates that at the Federal level, government is currently assuming more of a facilitative role when it comes to CSR issues, leaving leadership to industry. There does not yet appear to be a formalised or synthesised effort around CSR domestically, which is not atypical of most governments today around the world. However, pressure is building from both the private sector and non-governmental organizations for government action, and there is wide disagreement over what kind of

action is required or desired to support or direct business in its CSR efforts. In general, it seems that the private sector is far more advanced in leading and setting the CSR agenda and that the government is currently in catch-up mode.

At the Federal level, there are three key focal points in attempts to co-ordinate, consult on, and support the CSR movement:

- **Departmental Sustainable Development Strategies** – On February 14, 2001, the Minister of the Environment presented 28 Sustainable Development Strategies to Parliament. The intention of these strategies is to integrate social progress and environmental innovation with economic development into federal programs and practices. This is the second round of strategies and builds on the initial strategies developed in 1997;
- **'Club C'** – An interdepartmental committee with representatives including but not limited to the Department of Foreign Affairs and International Trade (DFAIT), Finance, Human Resources Development Canada (HRDC) Labour, Environment, Natural Resources Canada, Canadian International Development Association (CIDA), Export Development Corporation (EDC), and Health Canada who meet regularly to discuss CSR issues; and
- **Revised OECD⁶ Multinational Enterprise Guidelines** – Promoting these recently revised guidelines to Canadian companies and respective stakeholder groups through the Canadian National Contact offices and respective Federal departments.

Sustainable Development Strategy

At the Federal level, sustainable development has been adopted as a government priority, focusing primarily on the environment and the economy. This is one of the commitments made by the Canadian Government in accordance with Agenda 21⁷ at the Rio Earth Summit in 1992. According to the *Auditor General Act*, federal government departments are required to develop and table a Sustainable Development Strategy before Parliament every three years, and all 28 Federal Departments had to produce Sustainable Development Strategies for the period 1997 to 2000. Second generation strategies have recently been presented to Parliament and have been shaped based on extensive government consultations with the public and private sector, with an eye to delivering practical tools and tangible results in respective departments. These can be found on respective department websites.

Sustainable Development Strategies include goals, priorities, and action plans for private sector practices, community development, and measurement at the domestic and international level. One example is the First Nation Forestry Program, a partnership between the Government of Canada and Canada's First Nation peoples. The intention of this program is to ensure aboriginal participation in a forest-based economy and to integrate forest management principles and practices with aboriginal environmental knowledge, traditional way of life, and a viable economic future. Other initiatives are also underway to address the increasing awareness of greening operations and using energy efficiently.

Today, it seems the sustainable development focus remains more on the environmental aspect than the social. Social issues are being considered but the current challenge for federal departments is to better understand the social components of sustainable development, and then to determine how to best integrate and operationalize them. In addition, the federal government has not yet explored the potential for linking its initiatives to those at the provincial level.

⁶ **OECD** – Organization of Economic Co-operation and Development – The OECD comprises members of 29 governments of countries that are the source of most of the world's direct investment flows and home to most multinational enterprises.

⁷ **Agenda 21** – Adopted on June 14, 1992, by UN members in Rio de Janeiro, Agenda 21 reflects a global consensus and political commitment by member governments to sustainable development and environment cooperation.

'Club C'

(See **Appendix A** on page 23 for Canadian Federal Department Highlights)

In order to encourage dialogue on the growing CSR agenda, the Federal government has created an interdepartmental committee that meets regularly to discuss CSR issues. Representatives include but are not limited to the Department of Foreign Affairs and International Trade (DFAIT), Finance, Human Resources Development Canada (HRDC) Labour, Environment, Natural Resources Canada, Canadian International Development Agency (CIDA), Export Development Corporation (EDC), and Health Canada. 'Club C' meets regularly to share lessons learned, highlight upcoming conferences and programs, seek input across departments, and generally keep each other abreast of wider CSR issues.

At the moment, 'Club C' is very much at the educational stage and is addressing the issues arising from the impact and engagement of business on both domestic and international fronts. While it appears the government intends to support CSR practices through an eventual mix of policy, regulation, and legislation, at the moment it is primarily monitoring activities underway in Canadian and international organisations and governments and facilitating cross-sector dialogue. There is general acknowledgement of the fragmentation among departments and the disconnection between the Federal and Provincial level. 'Club C' is a first attempt to address these issues on a broader level.

OECD Guidelines

Over the past two years, participation in the major revisions of the Organization of Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises (MNE Guidelines) has been a major focus for many Canadian Federal departments (especially those in 'Club C'). Canada was just one of 29 OECD member countries (plus four non-members: Argentina, Brazil, Chile, and the Slovak Republic) to contribute to the development and adoption of a new set of MNE Guidelines that encompass recommendations on responsible business conduct. In brief, the MNE Guidelines express the shared values of the OECD member governments about what responsible business conduct is and how to apply it to business operations world-wide. Obligations include not only civil and political rights but also economic, social and cultural rights, human rights, and international labour standards.

Implementation of the MNE Guidelines is being channelled through respective governments and their identified National Contact Points (NCP). The NCP for implementation in Canada is a combined group under DFAIT and HRDC-Labour. Currently all departments are in the process of determining a strategy to promote and engage both business and NGO's in applying the MNE Guidelines. In addition, plans are underway to develop a dedicated website and promotional materials that will reside on the Government of Canada site.

Of Note - The Democracy and Corporate Accountability Commission

(<http://www.corporate-accountability.ca>)

This NGO initiative is being spearheaded by Former NDP leader Ed Broadbent with the intention to produce a series of recommendations for government, business, and the social-economic justice community "on the issue of corporate accountability in modern Canadian democracy." Cross-country cross-sector hearings are currently underway and will be held in Vancouver in the spring of 2001 addressing the role of the corporation, accountability, and social responsibility.

Provincial Level

On broad CSR issues, there is little evidence of linkages between the Federal and Provincial level. CSR does hit the Federal-Provincial agenda in the area of Trade Policy and is said to be appearing on the agenda of other Federal-Provincial and inter-Provincial meetings. Federal initiatives may or may not appear on the Provincial agendas due to differences in policy, corporate tax and corporate law, business relationships, specific programs and issues across the provinces, and political jurisdiction. Provinces were informed of ongoing progress throughout the OECD Guidelines review and revision process over the June 1998 to June 2000 period.

While it was not within the scope of this report to conduct extensive research at the Provincial level, a preliminary review of the information available on the different provincial government websites revealed no clear evidence of specific corporate social responsibility programs or information. The search for 'corporate social responsibility' led to topics as diverse as liquor and gaming licenses to literacy programs to investment to the role of universities. There was no clear evidence of a specific CSR focus, guidelines, resources or access to further information for the interested business practitioner.

The Canadian- Provincial Business Centres website (www.cbcs.org) (a joint initiative of the Canadian Federal Government, Provincial governments, and Provincial economic development agencies) identifies itself as "the premier gateway to Government information for Business" and the "hub of the governments single-window network providing people with accurate, timely, and user-friendly information to help them make sound business decisions." While there was considerable traditional business information available, there was little success information on 'sustainability', except those outlined below.

The only clear evidence was British Columbia's Green Economy Secretariat (as outlined earlier, it works with BC businesses to help them succeed in today's greener global economy) and Manitoba's Sustainable Development Innovations Fund (providing funding to private and public sector organisations for the implementation and promotion of sustainable development projects [www.cbse.org/manitoba]). This is not to say that similar programs do not exist in other provinces, just that they are not readily apparent. The formal presence and ready accessibility of the Green Economy Secretariat do, however, support the anecdotal comments that BC is more 'CSR-friendly' and more proactive on this front than other Canadian provinces.

The limited information available on the Canadian-Provincial Business Centre sites in the area of 'sustainability' pointed to government program support in the following areas:

- **Regional Partnerships Fund** (An initiative of the Department of Indian and Northern Affairs) – The objective of this fund is "to secure First Nations and Inuit participation in, and expand economic benefits from, major regional development initiatives... including support for training, business equity, infrastructure, special initiatives and federal-provincial/territorial agreements in the resource sector" (in all provinces but unclear if this fund available in the Yukon, the Northwest Territories, or Nunavut);
- **Moving on Sustainable Transportation (MOST)** (An initiative of Transport Canada) – The objective of this program is to raise awareness of sustainable transport issues and to develop new tools and approaches in partnership to encourage action (in all provinces but unclear if this is available in Alberta, the Yukon, the Northwest Territories, or Nunavut); and
- **Environmental Reporting Program** (An initiative of the Environmental Conservation Service, Environment Canada) – A program that is working with business partners to look at how human activities affect environmental conditions and trends (in all provinces but unclear if this is available in the Yukon, the Northwest Territories, or Nunavut).

Other comments regarding provincial activity suggest that while a comprehensive program may not yet exist, there are fragmented initiatives underway. The Maritimes Region is conducting CSR research in conjunction with Dalhousie University, and the Government of Quebec is said to have put out a CSR Strategy document for discussion, however we were not able to access this report. In Ontario, the general impression is that the provincial government may be going backwards in terms of the stringency of their environmental laws, while the Alberta government is building a reputation for private-public partnerships that is attracting many research groups and companies. Recently the Alberta government is said to have allocated something in the range of \$400 million dollars to a Sustainable Development Fund for renewable energies with a focus on the environment and partnerships with business.

On a regional level, the Western Economic Diversification Fund (WD) recently brought a number of representatives together to discuss Sustainable Development strategies. WD is hiring a consultant to review these strategies across various departments to identify overlaps and gaps, as well as looking at potential partnerships with the private sector to build awareness and training on sustainable development (reflecting economic, environmental, and social considerations).

European Jurisdictions

(UK, Denmark, The Netherlands)

In March 2000, the European Council Summit set a new strategic goal to turn Europe into “the most socially vital and economically booming region of the world by 2010.” The European Council, comprised of government leaders from across Europe, made a Special Appeal on Corporate Responsibility, encouraging businesses “to assume their role in combating social imbalance, investing in people, and sharing practices that make Europe work.” Through CSR Europe and the Copenhagen Centre, businesses responded with the European 2005 Business Campaign for Sustainable Growth and Human Progress – an effort to mobilize business, build stakeholder dialogue, and promote innovative practices and partnerships. The year 2005 has been identified as the Special European Year on Corporate Social Responsibility, when the scope and impact of CSR practices will be highlighted. (http://www.csreurope.org/csr_europe/Activities/Campaign/default.htm)

While the scope of this project will only encompass highlights of three European countries, further information is available through World CSR (<http://www.worldcsr.com/>), CSR Forum (<http://www.csrforum.com/>) and CSR Europe (<http://www.ebnsc.org/>).

United Kingdom

Corporate Social Responsibility is a well-established concept in the United Kingdom. A long history of corporate philanthropy has set the stage for current CSR practices; for example, business have developed productive relationships with government and NGOs; they have acknowledged their broader role in society; and they are willing to put in place the processes, resources, and leadership with which to make a meaningful, sustainable, and visible contribution.

While a number of internationally recognised CSR organisations are based in the UK, the focus of this report will be on the work of two key government departments: the Department of Trade and Industry and the Department for International Development.

Department Of Trade And Industry (DTI)

(<http://www.dti.gov.uk/support/responsibility.htm>)

Appointment of Minister for CSR

In March 2000 Dr. Kim Howells was appointed Minister for Corporate Social Responsibility within DTI in an attempt to provide a more strategic approach to CSR in the UK government. This innovative new post is a first in Europe, and has two key roles: making the business case for CSR and co-ordinating government activity to promote CSR in companies of all sizes. An Interdepartmental Group has been established to improve co-ordination of CSR activity, to share information and best practices, and to co-ordinate activities to engage more businesses in CSR.

Sustainable Development - Voluntary Reporting

(<http://www.dti.gov.uk/sustainability/>)

DTI has developed a specific website that focuses on encouraging CSR as an aspect of sustainable business practices. The site and strategy focus on developing programs to secure more widespread commitment among business to environmental and social responsibility, and to higher standards of corporate governance. In addition, the site promotes increased use and reliance on voluntary reporting, and less reliance on prescriptive legislation, by companies on environmental and social performance.

OECD Guidelines - UK National Contact

(<http://www.dti.gov.uk/worldtrade/ukncp.htm>)

The UK has already developed a centralized National Contact website for the promotion of the revised OECD Guidelines in the UK.

Small Business Service

(<http://www.businessadviceonline.org/>)

Within DTI, there is a newly formed Small Business Service (SBS), which will focus on developing activities to promote social inclusion through businesses in under-represented groups and in disadvantaged communities in society. The SBS will work with Business Links, Government Offices, Regional Development Agencies, and other stakeholders.

Innovation Through Partnerships

(<http://www.innovation-partnership.org/>)

DTI is sponsoring a project called Innovation through Partnerships, which provides an analytical “scorecard” tool to assess how businesses and communities can become more innovative and collaborative through engagement in partnership projects.

Business in the Community

(<http://www.bitc.org.uk/>)

DTI continues to support the work of Business in the Community, a UK business-membership organization with a vision to continually improve, measure, and report on the impact business has on the environment, workplace, marketplace, and community.

Department For International Development (DFID)

(www.dfid.gov.uk)

DFID’s core CSR focus resides in its Social Development Department (SDD). Within SDD’s mandate to provide advice on poverty analysis and poverty reduction strategies, SDD is working to support practices that positively impact the social dimensions of international development including the social

dimensions of business, core labour standards, and trade unions. Some of the CSR-specific support SDD has conducted to date includes:

Ethical Trading Initiative (ETI)

(<http://www.ethicaltrade.org/>)

DFID is a founding partner in this cross-sector partnership of NGO's, government, trade unions, and private sector organisations. ETI's objective is to develop ways to maximize the positive impact of business on the lives and rights of producers, suppliers, and workers in developing countries. All stakeholders have committed to upholding the ETI base code, key aspects of which include freedom of association, working conditions, wage levels, and child labour. A number of pilot studies are underway to test monitoring and verification systems.

Review of UK Company Codes of Conduct

(<http://www.dfid.gov.uk/public/search/>)

DFID led and published this research report in August 1998. This report supports the ETI in their work to develop a model code and systems of monitoring.

CSR Forum Project – CSR Roadmap with PWBLF

(www.csforum.com)

DFID is supporting the creation of a web page on the CSR Forum's (an initiative of the Prince of Wales Business Leaders Forum) website that is intended to become a central international website for CSR practices by country and industry. The site is currently under construction but will ultimately include:

- **CSR around the world:** A snapshot of economic, social, and environmental challenges from a business perspective;
- **Tools:** A management primer for corporate social responsibility issues; and
- **Company and Industry spotlights:** Case studies of good and bad practices that have shaped the debate and local consciousness on a regional and national level.

Resource Centre for the Social Dimensions of Business Practice, Centre for Development Studies, University of Wales, Swansea

(<http://www.swan.ac.uk/cds/consult/>)

Currently DFID supports a consortium that is identifying resource and knowledge gaps specifically with respect to business practices in the developing world. The project's purpose is to develop a resource centre with resources and support to advise business on the social dimensions of business practices that directly contribute to poverty elimination. Consortium partners include OXFAM and Prince of Wales Business Leaders Forum.

Denmark

In Denmark, the main focus of Corporate Social Responsibility ("Virksomheders Sociale Ansvar") follows two major themes: social inclusion (ensuring marginalized groups have the opportunity to be contributing citizens) and employment integration (maximizing the number of gainfully employed citizens in the labour market). Denmark uses CSR as a framework to address a company's role in relation to general social problems, primarily focusing on employment as an important and integral part of life for the majority of the population.

Ministry of Social Affairs

(<http://www.sm.dk/>)

In 1994, the Minister of Social Affairs launched the 'Our Common Concern' campaign with the objective of putting CSR onto the agenda of Danish businesses. The campaign – founded on the premise that social welfare is no longer the sole concern of the public sector, but also the responsibility of employers, citizens, and the local community – continues today and has extended into a variety of initiatives outlined below. The Danish government's prioritization of CSR has brought increased profile and awareness to the expanding role of business in society, and has served to build successful public-private partnerships, and to bridge some of the traditional gaps between social and economic organizations.

The "Company Pond" Initiative

In order to encourage business to engage in social responsibility and partnership projects, the Ministry established a pool of seed funding for projects related to CSR. The result has been a combination of experiential learning and promotion of good practices. This financial support to date has funded over 200 local projects of companies and municipalities on CSR issues ranging from employee retraining to establishing social networks between companies.

The Danish National Network of Business Executives

Established in May 1996 by Karen Jespersen, Minister of Social Affairs, the Network is composed of 15 business leaders from the private and public sectors representing over 85,000 employees in Denmark. This business advisory body engages other companies in employee and local community initiatives and promotes greater corporate social commitment and partnerships for social cohesion.

The Social Index

(http://europa.eu.int/comm/dgs/employment_social/lisbonconf2000/berrit.pdf)

The Ministry has also created a Social Index, a practical tool for measuring the degree to which a company lives up to its social responsibilities. The Social Index provides a standard measurement rating making it easy to communicate a company's degree of CSR. In this area, the Ministry is also supporting the development of social accountability, auditing and reporting in public enterprises, institutions and administrations through the development of management, communication, and training tools for use by businesses.

The Copenhagen Centre (TCC)

(www.copenhagencentre.org)

The Ministry of Social Affairs – as well as the Ministry of Labour, Ministry of Foreign Affairs, Ministry of the Interior, and the Danish Prime Minister's Office – is one of the key funders for The Copenhagen Centre (created in 1997). The Centre's core focus is on building social partnerships through cross-sector collaboration. Currently the Copenhagen Centre is doing some ground-breaking work in the areas of Local Partnerships in Europe, Partnerships in the New Economy, and developing methods and training tools for activities related to CSR such as cross-sector dialogue and organisational change. Recently the Copenhagen Centre launched its report on Government as Partners, a survey of seven European countries looking at the role of central government in developing partnerships with business, regional and local government, and civil society organisations ("the first significant body of work to look at social partnerships from the viewpoint of those in central government and those helping to shape government policies").

The Netherlands

(<http://www.minows.nl/>)

The Netherlands have a tradition of a strong welfare state that has taken the lead in addressing social issues. Recently, government's role has shifted from acting as a strong welfare state, taking responsibility for social issues, to a facilitative role, sharing the increasing costs of addressing social issues with private and public partners. The result is that companies are increasing their involvement in addressing social

issues through government-initiated social and environmental projects. The most commonly used CSR terms (“Maatschappelijk betrokken ondernemen” and “maatschappelijk verantwoord ondernemen”) respectively refer to the social commitment of business, emphasising community involvement, and to responsible enterprising. One of the main objectives of the current government is to leverage the long-standing tradition of consultation between social partners to develop an integrated approach across the economic, physical, and social policy areas.

Partnership for Social Integration

In an attempt to find ways to anchor the successes of local projects and to encourage the formation of new local partnerships, Minister Els Borst of the Dutch Government’s Health, Welfare and Sport Department initiated the “Partnership for Social Integration” in February 1998. This initiative provides a framework whereby companies, government and social organisations can exchange knowledge and experience. Since its inception, Partnership for Social Integration has evolved rapidly, with a high interest in participation from the business sector. Stimulated by the national campaign “Time to Participate,” 800 representatives of business, government, and social organisations have already signed up to participate. Indications have shown that Partnership for Social Integration has added value by promoting local initiatives.

Community & Business Network

The proposal for the logical next step around ‘Partnership for Social Integration’ is to form a national network and develop a model to gather CSR knowledge and initiatives of business in the community and to link this with government programs and social organisations (“Samenleving & Bedrijf” / “Community & Business”).

Interdepartmental Commission for CSR

One key challenge that has been identified in achieving lasting results in these programs lies in bridging the differences between the goals of business and government. Establishing co-operative links between the public and private sectors can be difficult due to institutional, organizational, and cultural differences. In order to improve the levels of communication, an interdepartmental commission for CSR has been installed, which will co-ordinate the efforts of different governmental departments. This commission supports the national debate, the joint initiatives of business, local government and social organizations, and the exchange of expertise. This commission will also play an important partnership role in developing the “Community & Business” network.

Global

(Multilateral Level)

(See Appendix B on page 27 for an overview of the Multilateral Agencies)

There is a considerable number of organisations working on issues of corporate social responsibility on a global level. This report highlights government support for CSR practices at the multilateral level which are currently receiving international attention in the following areas:

- CSR Principles and Guidelines
- CSR Accounting and Reporting
- CSR and Human Rights
- CSR and Cross-sector Partnerships
- CSR and the Environment

CSR Principles and Guidelines

UN Global Compact

(www.unglobalcompact.com)

In January 1999, Kofi Annan, Secretary-General of the UN, made a public appeal to business to address the impact of globalization on the world economy. The UN Global Compact is the manifestation of this appeal. The Compact is intended to establish and promote a shared set of core values in the areas of labour standards, human rights, and environmental practices between various UN agencies (United Nations Environment Programme, International Labour Organization, the Office of the High Commissioner for Human Rights) and the business community (see *Appendix C on page 29 for an overview of the principles in the UN Global Compact*).

The Global Compact is receiving substantial attention from governments, business, and NGO's. While there is considerable government and corporate support, there are also many questions about the viability of the Compact as anything more than a public relations tool. While strong on principles and attempts at business engagement, it does not include specific instructions for how a company is to incorporate the Global Compact principles into its business activities, and there are no mechanisms in place to ensure compliance or corporate accountability.

Involvement in the Global Compact requires that a company clearly state its support for the Global Compact and its nine principles and then be prepared to publicly advocate the Compact. How a company decides it will approach its involvement depends on the business sector, management structure, outputs, stakeholders, and so on. Each year, the company must provide a concrete example of the progress it has made or the lessons it has learned in implementing the principles for posting on the Global Compact website.

The United Nations and a variety of organizations, such as business associations, consulting companies and NGOs, have developed tools to help companies manage human rights, labour, and environmental issues. Some examples of tools include checklists, guidelines, surveys, matrices, and training kits.

Organisation for Economic Co-operation and Development (OECD)

(www.oecd.org)

The OECD Guidelines are recommendations on responsible business conduct addressed by governments to Multinational Enterprises (MNEs) operating in or from the 33 adhering countries. Governments of 29

member countries and four non-members – Argentina, Brazil, Chile and the Slovak Republic – participated in the development and adoption of a new set of Guidelines that will be supported by follow-up procedures in the participating countries.

The revised Guidelines apply to business operations world-wide – at home and abroad – with obligations that include protecting civil and political rights as well as economic, social and cultural rights, and international labour standards. The intention is that the Guidelines “supplement” applicable law and “complement and reinforce” codes of conduct and other private efforts to implement responsible business conduct. The first chapter of the guidelines is careful to state that “Governments adhering to the guidelines should not use them for protectionist purposes nor use them in a way that calls into question the comparative advantage of any country where multinational enterprises exist.” Implementation will be channelled through respective governments and identified National Contact Points (NCP), and mechanisms have been established to promote transparency, accountability, and best practices.

CSR Accounting and Reporting

Global Reporting Initiative (GRI)

(www.globalreporting.org)

The GRI was established in late 1997 with the mission of developing globally applicable guidelines for reporting on the economic, environmental, and social performance, initially for corporations and eventually for any business, government, or NGO. Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP), the GRI incorporates the active participation of corporations, NGOs, accountancy organisations, business associations, and other stakeholders from around the world. The GRI Guidelines were launched in June 2000.

According to the website: “Today, at least 2,000 companies around the world voluntarily report information on their economic, environmental, and social policies, practices, and performance. Yet this information is generally inconsistent, incomplete, and unverified. Measurement and reporting practices vary widely according to industry, location, and regulatory requirements. The GRI is a voluntary initiative and as such, the GRI Guidelines are designed for reporting performance at the company level throughout the world. By 2002, the GRI expects to be established as a permanent, independent, international body with a multi-stakeholder governance structure. Its core mission will be maintenance, enhancement, and dissemination of the Guidelines through a process of ongoing consultation and stakeholder engagement.”

Social Accountability International (SAI)

(<http://www.cepaa.org/>)

While not a multilateral government agency, the work of this organisation deserves special note for advancing the work of convening stakeholders to develop voluntary standards, to train and accredit verification organisations, and to promote understanding and implementation of voluntary standards globally. Its core areas of focus is in the area of addressing abusive sweatshop and child labour practices. SAI has just received a large grant from the US Government and the Ford Foundation to seek input from workers in Asia, Africa, and Latin America in order to improve auditing practices and cross-sector collaboration.

CSR and Human Rights

Global Sullivan Principles

(<http://www.sullivanprinciples.org/>)

Today the links between business and human rights are high on the international agenda. The Global Sullivan Principles were launched in 1999 as a simple guideline for business to uphold human rights and good corporate citizenship. As outlined by founder Reverend Leon H. Sullivan (author of the Sullivan Principles for companies in South Africa under apartheid) the objectives are specifically “to support economic, social, and political justice by companies where they do business.” The principles encompass human rights, gender diversity, tolerance, and understanding of difference, ultimately “helping improve the quality of life for communities, workers and children with dignity and equality.”

Multinational corporations are increasingly adopting these principles as part of their codes of conduct and commitment to good global corporate citizenship. Companies are invited to sign on to the principles as a public affirmation of their commitment, although it is not clear to what extent accountability or verification measures are in effect. The Principles do not make explicit reference to the International Declaration of Human Rights or the International Labour Organization labour conventions.

United Nations High Commission on Refugees (UNHCR)

(www.unhcr.org)

As cited on the UNHCR website: “Within the business community, the need for engagement in human rights is backed up by a recent survey by the Ashridge Centre for Business and Society which found that human rights issues have caused 36% of the biggest 500 companies to abandon a proposed investment project and 19% to disinvest from a country. The survey also found, however, that only 44% of companies’ codes of conduct made explicit reference to human rights.”

UNHCR has been participating in meetings with business leaders from developing countries, the International Labour Organization, and International Organization of Employers (IOE). Much remains unclear in terms of better defining businesses’ human rights obligations, and challenges are extensive in overcoming “the obstacles of poverty, corruption, weak judicial systems and trade disadvantages.” At the World Economic Forum in Davos, Switzerland in 2000 the High Commissioner for Human Rights presented a document titled *Business and Human Rights: A Progress Report*, outlining corporate initiatives in line with the Global Compact principles and including CSR issues in the five-year review of the Copenhagen World Summit for Social Development.

ILO Business and Social Initiatives Database

(<http://www.ilo.org/public/english/comp/business/>)

This International Labour Organisation (ILO) database includes access to information on private sector initiatives addressing labour and social conditions in the workplace and in the community. The database features corporate policies and reports, codes of conduct, accreditation and certification criteria, and labelling and other programmes. As well, it is possible to conduct customized searches to retrieve information on specific companies and organizations, countries, regions, business sectors, and labour and employment issues.

The ILO Declaration on Fundamental Principles and Rights at Work

In June 1998 the ILO adopted the Declaration on Fundamental Principles and Rights at Work as a pledge by all Members “to respect, promote and realize in good faith the principles related to safeguarding and protecting workers basic rights.” The Declaration responds to a widespread concern that social justice should accompany economic growth. To promote the Declaration the ILO will launch an InFocus programme, working with employers’ organizations, trade unions, NGOs, and regional and international

organizations to raise awareness, to deepen understanding, and to promote policies to implement its principles in ways that are gender-sensitive and development-oriented.

United Nations Development Program (UNDP)

(www.undp.org)

In striving towards its theme of Global Public Good – Human Development and Human Rights, the UNDP has outlined that the private sector also has a stake in delivering basic services and reducing poverty alongside the government (e.g., accessible vaccinations for all serve us all). The most recent UNDP Human Development Report 2000, *Human Development and Human Rights*, calls for “greater accountability of non state-actors.” The priorities set out in the report include strengthening business commitments and turning attention to specific business practices through better implementation of corporate codes of conduct. The report also suggests that the use of human rights indicators could be extended to include the role of corporations, and encourages a cross-sector approach to accountability.

CSR and Cross-Sector Partnerships

World Bank - Business Partners for Development (BPD)

(http://www.worldbank.org/poverty/scapital/index.htm)

Cross-sector partnerships are being advocated by a wide variety of organisations at different levels. Business Partners for Development is a World Bank project-based initiative that studies, supports, and promotes strategic examples of partnerships involving business, civil society and government “working together for the development of communities around the world.” BPD is demonstrating that tri-sector partnerships deliver better results to the parties involved than independent action, thereby ensuring a better development impact for communities, governments, and business. There are currently 29 focus projects in 20 countries. All projects are designed to focus on one of the key BPD Clusters, each with specific objectives and vision for the partnership. These include:

- **Natural Resources** (www.bpd-naturalresources.org/) – Focus on oil, gas and mining companies and developing guidelines, systems, and structures for dealing with community impact issues;
- **Water and Sanitation** (www.bpd-waterandsanitation.org) – Focus on water companies and providing responsive and affordable water services to urban poor;
- **Global Partnership for Youth Development** (www.bpdweb.org/gpyd/index.htm) – Focus on building successful partnerships for youth, the next generation of labourers and consumers;
- **Global Road Safety Partnerships** (www.bpdweb.org/grsp/index.htm) – Focus on reducing associated social costs of road traffic crashes through coordination of road safety activities; and
- **Knowledge Resource Group (KRG)** (www.bpdweb.org/krg/index-htm) – Central role to act as a catalyst, connector, and facilitator on tri-sector partnerships from all of the clusters.

CSR and the Environment

World Business Council for Sustainable Development (WBCSD)

(www.wbcsd.org)

In broad terms, the WBCSD aims to develop closer co-operation between business, government, and other organizations concerned with the environment and sustainable development as well as encouraging higher standards of environmental management in business. One of its core areas of focus is in the area of eco-efficiency, promoting economic and ecologically efficient practices. In the last two years

WBCSD has developed an Eco-Efficiency Performance Platform based on its work in the area of indicators and reporting on eco-efficiency – work which has been incorporated into the GRI Guidelines. The intention of the Performance Platform is to measure and report on company eco-efficiency and to illustrate how environmental and economic performance can be expressed. The Platform provides an overview of a company's eco-efficiency scorecard and a series of case studies that illustrate practices, sustainability reporting, and indicators.

In addition, another key WBCSD initiative involves collaborative sectoral projects to foster stakeholder dialogue, leadership, and sustainable practices in the following industries: forestry, mining, electricity, cement, and transportation. WBCSD has a variety of Working Groups focusing on aspects of CSR in the areas of scenario planning, trade, and the environment.

United Nations Environmental Programme (UNEP)

(www.unep.org)

It is the stated mission of UNEP “to engage in global partnership for sustainable development and to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.” One of the core efforts linking environmental, social, and economic considerations is that building on the work of Agenda 21.

Agenda 21 – “The 21st Century Roadmap for Sustainable Development”

Agenda 21 is the international policy framework agenda for the environment that came out of the Rio Earth Summit (United Nations Conference of Environment and Development – UNCED) held in Brazil in 1992. This was a watershed event that firmly placed the environment on the mainstream agenda of government, business, and NGO's. In addition to Agenda 21, other major outcomes of the Rio Earth Summit included a series of global framework agreements on climate change, biodiversity, and desertification. In addition to guidelines for government, Agenda 21 outlined the importance of engaging business leaders in setting environmental management as a top corporate priority, of strengthening cross-sector partnerships, and of the importance of developing measures and legislation.

Agenda 21 will be revisited in 2002, the tenth anniversary year of the Rio Earth Summit. A meeting of United Nations Commission on Sustainable Development (UNCSD) in April 2000 – the annual intergovernmental meeting that tracks progress on the goals set down in Rio in 1992 – indicated that issues of environment and development in 2002 will be addressed with a different order of priority. What we now see as the classic environmental issues that western governments and companies have been facing in the last 15 years will likely take a backseat to issues of global equity and poverty alleviation – “the lack of which lay the foundations for the most damaging forms of environmental degradation.” The next summit in 2002 meeting will seek to define the new emerging environmental agenda for both companies and governments.

Appendix A – Canadian Federal Government Highlights

Federal Department	Overview	CSR Specific Programs
<p>Department of Foreign Affairs and International Trade (DFAIT) (http://www.dfait-maeci.gc.ca/)</p>	<p>DFAIT is addressing CSR issues on two inter-related fronts – human rights and international trade, and is in the process of moving CSR more fully onto their agenda.</p>	<p>Agenda 2000 - DFAIT’s Sustainable Development Strategy encompassing social, environmental, and economic impact of companies, addressing a broad range of issues - human rights, consumer protections and disclosure.</p> <p>OECD Guidelines – Revised Guidelines for MNEs seen as the main multilateral international and domestic instrument of CSR; will be the principle CSR effort in terms of co-ordinating federal government efforts with industry. Guidelines seen to have more ‘teeth’ in the areas of social and human rights, and DFAIT is currently looking for ways to embed these in business codes and practices.</p> <p>Cross-sector dialogue - DFAIT has also been conducting a variety of cross-sector dialogues between corporations and NGOs to determine what sort of policy framework is required moving forward at home and abroad.</p>
<p>Industry Canada (IC) (http://www.strategis.gc.ca/)</p>	<p>Industry Canada is primarily looking at aspects of CSR in investment and trade agreements, as well as community economic development.</p>	<p>Sustainable Development Strategy - will cover the period from 2000-2003; external respondents to the strategy’s development urged Industry Canada to articulate a clear vision of the benefits for Canadian businesses of embracing the triple bottom line objectives of sustainable development and to provide proactive programs to leverage the synergies between environmental, economic and social objectives.</p> <p>OECD Guidelines - Industry Canada and DFAIT worked together closely when negotiating revisions to the OECD Guidelines. For example, Industry Canada is supporting the development of a Guidelines website and promotional materials as part of their commitment to promoting corporate ethics and responsibility within Canada.</p> <p>Voluntary Codes (www.strategis.ic.gc.ca/SSG/ca00962e.html) - Industry Canada is working to address the growing interest in exploring the voluntary codes to supplement traditional regulatory</p>

Federal Department	Overview	CSR Specific Programs
		<p>approaches. 'Voluntary Codes: A Guide for Their Development and Use' is a joint initiative of Industry Canada and the Treasury Board Secretariat, prepared by a multi-stakeholder working group, designed to help parties understand what voluntary codes are and how they can be developed.</p> <p>Voluntary Codes Research Forum has been created to facilitate cross-sector discussion of the possible role of standards and to provide a mechanism for increasing awareness and promoting constructive discussion. (Subscription via: webb.kernaghan@ic.gc.ca)</p>
<p>Environment Canada (EC) (http://www.ec.gc.ca/)</p>	<p>Environment Canada currently does not have a focal point for CSR activity however they are the lead department in facilitating Sustainable Development Strategies.</p>	<p>Sustainable Development Strategy - Domestically Environment Canada has taken the lead facilitating role in developing the SDS for all 28 Government Ministries.</p> <p>OECD Guidelines - Based on the OECD MNE Guidelines, there are currently efforts underway to review the environmental guidelines within Canada and to look at ways to include environmental guidelines in investment liberalisation.</p> <p>International Policy and Cooperation Branch will be involved in Rio plus 10, the World Conference on SD and leading the charge on Rio plus 10 across government departments; are currently looking at ways to engage business in these efforts and what they see as the sphere of the future, the intersection of the environmental and social.</p> <p>Sustainable Development Co-ordinating Committee is looking at options and opportunities for moving forward on sustainable communities. On this front, they are giving attention to environment related voluntary codes for business. They are currently looking at regional level initiatives in Quebec and Atlantic Canada.</p> <p>Draft Policy Framework for Environmental Performance agreements - currently gathering stakeholder input outlining criteria to be applied to voluntary approaches. Goal is to enhance credibility with the public confidence and look at the optimal policy</p>

Federal Department	Overview	CSR Specific Programs
		mix; Incentive based to encourage a level playing field.
Finance (http://www.fin.gc.ca/)	Finance does not have a focal point for CSR activity.	Sustainable Development Strategy - priorities for policy analysis in over the next three years include the following: <ul style="list-style-type: none"> ▪ Integrating the economy and the environment – Build on progress in integrating environmental and economic considerations in tax, spending, and related policies; ▪ Building the future – Improve inter-generational equity by promoting fiscal health and strengthening the economy and society; ▪ Participating in the Global Economy – Address the growing globalization of the economy and environmental concerns and the link to international competitiveness; ▪ Greening operations – Green the department’s own internal operations
Canadian International Development Agency (CIDA) (http://www.acdi-cida.gc.ca)	CIDA is currently working in partnership with the private sector to promote sustained and equitable economic growth by supporting private sector development in developing countries. CIDA INC. CIDA has an Industrial Cooperation Program, CIDA INC, that supports private sector firms expanding into developing countries. (http://www.acdi-cida.gc.ca/inc)	Canadian Partnership Branch (http://www.acdi-cida.gc.ca/canada-e.htm) within CIDA INC, promotes partnerships between organizations- businesses and NGO’s - in Canada and developing countries to support sustainable development and reduce poverty in the developing world. Canadian partner organizations are required to conduct feasibility studies in the areas of social and environmental impact in addition to contribution of resources. CIDA INC reduces the risk by sharing the costs associated with doing business in the developing world based on compliance. Funding is based on the conduct of a feasibility study that includes social and environmental impact assessments and plans for environmental management, social development or integration plan, a plan to integrate women. It is not clear to what extent these conditions are verified or monitored over the course of a project.
Export Development Corporation (EDC) (http://www.edc-see.ca/)	EDC currently has a Code of Conduct and a Code of Business Ethics, addressing issues of employee conduct, the environment, bribery, human rights, and	Parliamentary Standing Committee on Foreign Affairs and International Trade of the EDC Act - EDC is currently in the process of responding to a December 1999 report by the Gallin Commission which raised questions of issues related to human

Federal Department	Overview	CSR Specific Programs
	<p>environment, bribery, human rights, and conflict of interest. As stated “EDC will conduct its business and affairs in accordance with the letter and spirit of all applicable laws in the countries in which it does business.”</p>	<p>Commission which raised questions of issues related to human rights, labour, and other concerns. The report has proposed a new provision that would require the EDC to give “due regard to ‘commitments and obligations undertaken by Canada under international agreements’.”</p> <p>The report has also suggested that the EDC consider the establishment of an ombudsman post extending the handling of public information and appeals related to the human rights conditions and the manner in which their impact is assessed by the EDC in its companies of operations.</p>
<p>Health Canada (http://www.hc-sc.gc.ca/)</p>	<p>Health Canada currently does not have a focal point for CSR activity.</p>	<p>Private-Public Partnerships - Health Canada putting together discussion paper working on the business case to get Canadian companies involved in HIV Aids initiatives at home and overseas (employee awareness, NGO support and participation in the solution).</p>
<p>International Development Research Centre (IDRC) (http://www.idrc.ca/)</p>	<p>IDRC is a public corporation created by the Canadian government to help communities in the developing world find solutions to social, economic, and environmental problems through research. IDRC is not an NGO and not a crown corporation but they report to parliament under DFAIT and operate at arm’s length.</p> <p>While IDRC does not yet have a specific CSR program, they have recently carved out a Public-Private Partnerships staff role to try to bridge the divide and promote ways for Canadian companies to participate in development.</p>	<p>Canadian Partnerships Branch – currently working to support NGO research on engagement with the private sector looking at what to do, what not to do, and how to engage. IDRC is also working with the North South Institute in this area.</p> <p>Private-Public Partnerships – in addition to the new staff role, work currently underway with Nortel, looking at ways to bridge the digital divide; another is the work of MPRI – Mining Policy Research Initiative - engaging mining companies on community and environmental research initiatives to develop a research agenda with the private sector that is of common public-private interest.</p>

Appendix B – Multilateral Agency Overviews

ORGANISATION	ROLE
Organisation for Economic Co-operation and Development (OECD) www.oecd.org	<p>“The OECD is an intergovernmental organisation whose purpose is to provide its 29 Member countries with a forum in which governments can compare their experiences, discuss the problems they share and seek solutions which can then be applied within their own national contexts.”</p>
World Business Council for Sustainable Development www.wbcsd.org	<p>“The World Business Council for Sustainable Development (WBCSD) is a coalition of 150 international companies united by a shared commitment to sustainable development - environmental protection, social equity and economic growth. Members are drawn from 30 countries and more than 20 major industrial sectors. The WBCSD also benefits from a thriving global network of national and regional business councils and partner organizations.”</p>
World Bank http://www.worldbank.org/	<p>“The World Bank is a partner in opening markets and strengthening economies. The World Bank is the world’s largest source of development assistance, providing nearly \$16 billion in loans annually to its client countries. It uses its financial resources, highly trained staff, and extensive knowledge base to help each developing country onto a path of stable, sustainable, and equitable growth in the fight against poverty.”</p>
UNITED NATIONS (UN) www.un.org	<p>“The United Nations is comprised of more than 30 affiliated organizations known together as the UN System. This system works to promote global efforts to solve problems, cooperate, and promote respect for human rights, the environment, health, social and economic development and poverty reduction. The United Nations membership now totals 189 countries. The following are some of the most recent and most relevant work in the area of supporting business and CSR practices.”</p>
Global Reporting Initiative (GRI) www.globalreporting.org	<p>“The GRI was established in late 1997 with the mission of developing globally applicable guidelines for reporting on the economic, environmental, and social performance, initially for corporations and eventually for any business, governmental, or NGO. Convened by the Coalition for Environmentally Responsible Economies (CERES) in partnership with the United Nations Environment Programme (UNEP) the GRI incorporates the active participation of corporations, NGOs, accountancy organisations, business associations, and other stakeholders from around the world.”</p>
International Labour Organisation (ILO) www.ilo.org	<p>“The International Labour Organisation is the UN specialized agency which seeks the promotion of social justice and internationally recognized human and labour rights. The ILO has established international labour standards which have been used for the past 75 years as the benchmark -- the only universally accepted benchmark -- by which the rights and conditions of human beings at work have been measured.”</p>

ORGANISATION	ROLE
<p>United Nations High Commission on Refugees (UNHCR) (www.unhcr.org)</p>	<p>“UNHCR is committed to working with Governments, regional intergovernmental organisations, UN agencies and programmes, civil society organisations and the business community to address the emerging global challenge of the business community’s role in promoting and protecting human rights in the new century. The links between business and human rights are becoming increasingly clear and higher on the international agenda.”</p>
<p>United Nations Development Program (UNDP) (www.undp.org)</p>	<p>“UNDP is the United Nations’ principal provider of development advice, advocacy and grant support. Its core programmes focus on the countries that are home to 90 percent of the world’s extremely poor people. UNDP helps governments in developing countries to improve policies and build a greater institutional capacity for delivering basic services and reducing poverty. Many governments also seek UNDP’s assistance in expanding and sustaining national policy dialogues, including with local officials and representatives of civil society.”</p>
<p>UN Environment Program (UNEP) (http://www.unep.org/)</p>	<p>“The mission of UNEP is to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations.”</p>

Appendix C – Global Compact

A Compact for the New Century

Human Rights

The Secretary-General asked world business to:

Principle 1: support and respect the protection of international human rights within their sphere of influence; and

Principle 2: make sure their own corporations are not complicit in human rights abuses.

Labour

The Secretary-General asked world business to uphold:

Principle 3: 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: the elimination of discrimination in respect of employment and occupation.

Environment

The Secretary-General asked world business to:

Principle 7: 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.

Participation

A company wishing to engage in the Global Compact can do so by sending a letter from the chief executive officer to the Secretary-General, expressing support for the Global Compact and commitment to take the following actions:

1- Issue a clear statement of support for the Global Compact and its nine principles, and to publicly advocate the Global Compact. This may include:

- Informing employees, shareholders, customers and suppliers;
- Integrating the Global Compact and nine principles into the corporate development and training program;
- Incorporating the Global Compact principles in the company's mission statement;
- Including the Global Compact commitment in the company's Annual Report and other public documents; and
- Issuing press-releases to make the commitment public.

2- Provide, once a year, a concrete example of progress made or a lesson learned in implementing the principles, for posting on the Global Compact website.