



CORPORATE SOCIAL RESPONSIBILITY

STATE
OF THE ART
REPORT – 2004

EDITORIAL

Title: Corporate Social Responsibility: State of the Art in Austria 2004

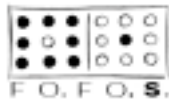
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Inhalt

In dieser Broschüre wurden folgende drei Studienteile zusammengefasst.
This brochure contains the following parts of reports.

State of the Art Report on Corporate Social Responsibility (CSR) in Austria

(englisch)

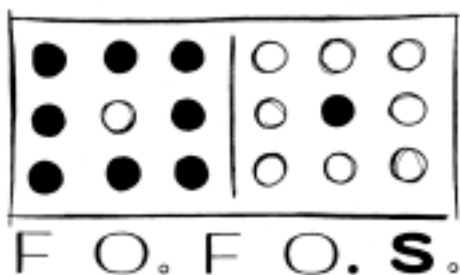
Bestandsaufnahme CSR in verschiedenen europäischen Ländern

(Zusammenfassung auf deutsch)

State of the Art Report – Highlights Report

(englisch)

unterstützt durch



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TABLE OF CONTENTS



TABLE OF CONTENTS	5
FOREWORD	7
EXECUTIVE SUMMARY	8
CHAPTER 1. INTRODUCTION	10
1.1. COUNTRY DESCRIPTION	10
1.1.1. Population	10
1.1.2. Economic Performance	10
1.1.3. Structure of the Corporate Sector	11
1.1.4. International Conventions Subscribed by the Country	12
1.2. CSR HISTORY IN AUSTRIA	12
1.3. CSR OVERVIEW	12
1.3.1. CSR Situation in Austria	12
1.3.2. Main Facts Related to CSR Occurred in 2003 / 2004	13
1.3.3. Expected CSR Trends	14
CHAPTER 2. BUSINESS ETHICS	15
2.1. USE OF WRITTEN STATEMENTS	15
2.1.1. Visions and Values	15
2.1.2. Mission	15
2.2. CORPORATE GOVERNANCE	16
2.2.1. Codes of Conduct	16
2.2.2. Business Principles Statements	16
2.2.3. Dialogue with Stakeholders	17
2.2.4. Transparency	17
2.3 ACCOUNTABILITY	17
2.3.1. Financial Reports and Auditing	17
2.3.2. CSR Reports and Auditing	19
2.3.3. CSR Related Certifications	19
2.3.4. CSR Toolkits	19
CHAPTER 3. SOCIAL RESPONSIBILITY	20
A – INTERNAL DIMENSION	20
3.1. HUMAN RESOURCES MANAGEMENT	20
3.1.1. Lifelong Training	20
3.1.2. Balance between Working and Private Life	21
3.1.3. Equal Opportunities	21
3.1.4. Voluntary Social Protection Charges	21
3.2. HEALTH AND SAFETY AT WORK	21
3.3. ADAPTATION TO CHANGE	21
B – EXTERNAL DIMENSION	22
3.4. LOCAL COMMUNITIES	22
3.4.1. Sponsoring	22
3.4.2. Corporate Volunteering	22
3.5. BUSINESS PARTNERS, SUPPLIERS AND CONSUMERS	23
3.5.1. Development of Long Term Partnerships	23
3.5.2. Supply Chain Ethical Control	23
3.5.3. Responsible Marketing	23
3.5.4. Design for all	23
3.6. HUMAN RIGHTS	24
3.7. SOCIAL LABELS	24
3.8. FAIR TRADE INITIATIVE	24

CHAPTER 4. ENVIRONMENTAL RESPONSIBILITY	25
4.1. MANAGEMENT OF ENVIRONMENTAL IMPACTS AND NATURAL RESOURCES	25
4.1.1. Minimizing Environmental Impacts	25
4.1.2. Product Lifecycle Approach	26
4.1.3. Eco-labels	26
4.1.4. Savings in Natural Consumption.....	26
4.2. GLOBAL ENVIRONMENTAL CONCERNS.....	26
4.3. SUSTAINABILITY DEVELOPMENT PRACTICES.....	27
CHAPTER 5. SOCIALLY RESPONSIBLE INVESTMENT (SRI)	28
5.1. SOCIAL RATINGS.....	28
5.2. ETHICAL FUNDS.....	28
5.3. COMPANIES LISTED IN SOCIAL INDEXES.....	29
CHAPTER 6. CSR LEGAL FRAMEWORK	30
6.1. HEALTH AND SAFETY AT WORK	30
6.2. SOCIAL AUDIT REPORTS	30
6.3. STAFF TRAINING	30
6.4. PROTECTION OF WOMEN, MINORITIES AND DISABLED PEOPLE.....	30
6.5. SRI AND PENSION FUNDS.....	30
CHAPTER 7. NATIONAL SUPPORT INITIATIVES ON CSR.....	31
7.1. FINANCIAL SUPPORT TO SOCIAL AND ENVIRONMENT CERTIFICATIONS	31
7.2. FISCAL EXEMPTIONS ON DONATIONS.....	31
7.3. CSR AWARDS.....	31
7.4. SOCIAL INDEX.....	32
7.5. REGIONAL OR LOCAL INITIATIVES	32
CHAPTER 8. OTHER CSR INITIATIVES	33
8.1. CAUSE-RELATED MARKETING	33
8.2. RESEARCH ON CSR (2000-2003)	33
8.3. ORGANIZATIONS DEDICATED TO CSR.....	33
8.4. MAIN CSR EVENTS DURING 2003	35
8.5. PRESS COVERAGE OF CSR DURING 2003	35
CHAPTER 9. OPPORTUNITIES AND OBSTACLES FOR CSR	36
9.2. MAIN REASONS AND MOTIVATIONS FOR COMPANIES TO BE ACTIVE IN CSR.....	36
9.3. IDENTIFIED BUSINESS BENEFITS	36
9.4. EXISTING BARRIERS TO CSR INVOLVEMENT.....	36
NATIONAL CSR KPI'S (KEY PERFORMANCE INDICATORS) 2003.....	38
BIBLIOGRAPHY	39

FOREWORD



This report is the first product conceived in the framework of the "CSR/SME – Promoting Corporate Social Responsibility in Small and Medium Size Enterprises" project, an European project developed with support from the Leonardo da Vinci Programme, promoted by CECOIA (a Vocational Training Centre for Trade from Portugal) and having partners from Austria (**FO.FO.S – Forum for Supporting Self-Employment and SME**), Estonia, Italy, Hungary and The Netherlands. The project will last until the end of 2005.

This report along with similar reports from the other countries belonging to the partnership and a highlights report with comparative and synthetic data from the different countries, constitute the final report on the "State of the Art" on Corporate Social Responsibility (CSR) on the countries belonging to the partnership.

The main goal of this work was to collect and organise relevant information to the project next phases. We are fully aware of the limitations and the credits resulting from the context in which the report was produced. This is not, therefore, a finished work, but a working document that should and must be improved in the coming future.

The data collection occurred until May 2004 reason why, all the information must be read taking in consideration this time framework.

The report structure was inspired in the Green Paper from the European Commission "Promoting a European Framework for Corporate Social Responsibility".

In this report as well as in all the project, the accepted definition of Corporate Social Responsibility (CSR) is the one adopted by the European Commission in the Green Paper in which CSR is described "as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis".

We are aware of the fact that some of the subjects were not treated as deeply as they deserved. Considering the wide structure we choose, we dealt with many difficulties gathering information. Even thus we preferred to choose a more wide structure that could enable us to understand the long path we have yet to walk.

EXECUTIVE SUMMARY

Austria is ranked 9th in the "National Corporate Responsibility Index 2003" published by "AccountAbility".

In the beginning of 2002, discussions about corporate social responsibility (CSR) by the Federal Ministry for Economic Affairs and Labour and the Federation of Austrian Industry initiated the program "CSR Austria" together with the Austrian Chamber of Commerce as another partner. In a stakeholder dialogue, business representatives and politicians met representatives of social partners, international organisations and NGO to fundament the guiding CSR vision for Austrian businesses with the device: "Economic Success – Responsible Action" (published and presented in December 2003).

For this process, CSR Austria has been engaged in a number of workshops, round tables and publications to discuss and inform social responsibility of businesses together with a broad audience and supported by effective work with the media. The Austrian Business Council for Sustainable Development and the Austrian Institute for Sustainable Development established the Austrian Business Academy for Sustainable Development with the focus on training in corporate sustainability in spring 2004.

According to a study of CSR Austria in 2003 three-quarter of the Austrian companies have a system of values based on their specific profile, which is, in most of these cases, documented as a company's vision or its mission statement. Indeed, only some of the biggest companies publish social and environmental reports.

Concerning the Austrian Code of Corporate Governance, established in October 2002, the CSR Austria Study has shown that 59 % of the Austrian enterprises know the discussion about corporate governance. 16 % of the companies taking part in the study have signed the Code. The reasons for not signing are for every second company "not enough utility", followed by "too much bureaucracy" (43 %), "no demand on the side of clients, banks or investors" (36 %) and "not enough orientation on the needs of SME" (36 %).

According to the CSR Austria Study, 97 % of the companies in Austria were engaged in activities in any kind of corporate citizenship in 2002. Regarding small enterprises one third was engaged in an amount up to 2.500 EUR, the second third between 2.500 and 5.000 EUR and the most active third with more than 5.000 EUR. The first third of middle-sized enterprises have invested up to 7.000 EUR into corporate citizen activities, followed by a second third with up to 15.000 EUR and a final third engaged with over 15.000 EUR in one year. The appropriate limit values of large companies are 12.000 and 45.000 EUR. Cash donations are the most popular field in corporate citizenship with 93 % of the Austrian companies, followed by donations in goods (85 %). 68 % of the enterprises signed sponsoring contracts with non-profit organisations while another 58 % of businesses supported them in the field of corporate volunteering.

Small enterprises consider the positive impact on their business due to CSR only in 12 % - a number doubled considering middle-sized and large companies. Reasons for not improving their engagement in corporate citizenship are the missing financial resources (68 %), too less or too unclear use of the engagements in relation to its expenditures (53 %) and missing time resources (46 %).

Important industries in Austria are based on nature, like tourism and forestry. 315 enterprises are active in the environmental technology industry reaching 2.5 billion euro profit a year. Industries such as biomass technology, energy efficiency and solar technology secure 16.000 jobs, together with the sector of environmental services the number of jobs is 85.000. The export quote of these environmental enterprises is at 60 %, which can be regarded as a proof for high quality and competitive ability.

Considering fair trade initiatives, there are 68 world shops in Austria, of which 62 are members of the Austrian World Shop Association. Besides, fair trade labelled products are available in more than 1.500 supermarkets.

In spite of the fact that Austria's consumers are on the world top concerning waste separation with over 100 kilogram packing per person in one year (source: ARGEV), the OECD Report in 2003 showed that private consumers exhibit constantly rising values. OECD stated a better environmental responsibility particularly in the sectors of industry and energy supply, while the traffic sector remained on constantly high level. The report comes to the result that Austria could not get closer to the Kyoto goal of a 13-% reduction from greenhouse-effective gases until 2010. Nevertheless, the Environmental Sustainability

Index (ESI), which measures the environmental performance of 122 countries, has listed Austria at place 8 at a glance and at number 5 in Europe (ESI 2001).

In 2002, private investing in ethical funds has reached 1.4 billion EUR, which is 0.4 % of the Austrian funds volume. Ethic funds have no long tradition in Austria, but this kind of investment is estimated just at the beginning. Following Austria's daily newspaper for economics (WirtschaftsBlatt), the total number of funds with ethical, environmental or sustainable orientation available in Austria has been 46 in autumn 2003.

A study of the Austrian Gallup Institute in 2002 shows that 34 % of the Austrians and 58 % of investors orientated in environment, are interested in an index for the social and environmental sustainability of Austrian companies. 34 % of the investors without shares in Austrian companies are willing to invest in Austrian companies as soon as their social responsibility has been proofed. Indicators to measure CSR are developed in a current dialogue between the Stock Exchange in Vienna and the University for Economics at an open web platform. According to the Austrian Association of Financial Analysts, over a dozen of the 40 companies in the prime market at the stock exchange in Vienna already would fulfil the criteria of a CSR index. Currently it is planned to start the CSR Index with 12 up to 17 members. Important Austrian companies such as Erste Bank, voestalpine and UNIQA already have shown their interest.

According to the CSR Austria Study, the main reasons for Austrian businesses to support non-profit organisations are in three of four cases the ethical and moral convincement of management (concerning the owners in 38 %), while one quarter believes in a positive impact for their business success and 23 % are motivated for corporate citizenship due to their staff. Public pressure leads to engagements in 6 % and defaults of the parent company in 3 %.

Only 14 % of the companies plan their corporate citizenship activities in a strategic way. 52 % of the decisions are made regarding politics of the enterprise but without a strategic analysis. 32 % of the companies are engaged in corporate citizenship without any strategic relation to their business. These points reinforce the importance of implementing an information campaign on CSR in Austria with a special focus on the win-win strategy of corporate engagement as well as developing training materials on the subject in order to professionalize small and middle-sized companies and respectively NGO on CSR.



CHAPTER 1. INTRODUCTION

1.1. Country Description

1.1.1. Population

According to AUSTRIA STATISTIK the total population in Austria in 2002 was 8.053.106 including 708.000 people of foreign nationalities. All together 3.320.300 households include 1.050.600 single households (quote: 2.4 persons / household). In February 2004 the number of employees in Austria was 1.459.758 woman and 1.662.616 man, together 3.122.374 persons (BMWA¹).

The self-employment quote is 10.7 % with a total number in 2002 of 267.700 persons (WKÖ²).

The unemployment quote in February 2004 was 8.8 % (EUROSTAT 4.4 %) with a total number of 302.319 (BMWA).

The following table shows the structure of qualification of employees (WKÖ):

Highest level of qualification	1981 %	1991 %	2000 %	Deviation 2000-1981
Universities and equal qualifications	4,7	7,2	9,6	4,9
Higher schools providing vocational education	4,0	5,6	9,7	5,7
General higher schools	3,4	4,3	6,4	3,0
Middle schools providing vocational education	11,8	13,0	11,3	-0,5
Apprenticeship Training	35,5	40,5	41,5	6,0
Obligated school	40,6	29,4	21,4	-19,2
In absolute numbers	3,411.521	3,684.282	3,917.700	506.179

1.1.2. Economic Performance

According to AUSTRIA STATISTIK the economic growth in Austria in 2003 was 0.7 %, compared with an international OECD-average of + 2.0 % and exactly in the EU-average of + 0.7 %.

The gross domestic product (GNP / BIP) in 2003 grew from 6.0 billion EUR, which is 2.7 % to 224.3 billion EUR. For each inhabitant the GNP is 27.760 EUR (+ 2.4%).

Export rose 0.9 % (nominal) / 1.0 % (real).

¹ BMWA – Bundesministerium für Wirtschaft und Arbeit (The Ministry for Economic Affairs and Labour)

² WKÖ – Wirtschaftskammer Österreich (The Austrian Chamber of Commerce)

The domestic demand in 2003 had a definite stronger development as in the year before. Especially gross investment could rise, after two declining years, for + 5.4 % (nominal) / + 4.6 % (real).

The inflation rates in 2004: January 1.1 %, February 1.4 % and March 1.6 %.



The following table shows the development of Austria's GNP in the last years:

	1998	1999	2000	2001	2002	2003
GNP nominal, in billion EUR	190,6	197,1	206,7	212,5	218,3	224,3
% to preceding year	4,5	3,4	4,9	2,8	2,7	2,7
% to preceding (real)	3,9	2,7	3,4	0,8	1,4	0,7

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1.1.3. Structure of the Corporate Sector

The total number of companies in Austria in 2003 is 248.909 (WKÖ). As the following table shows, the structure of the corporate sector has a main focus on small and middle-sized enterprises:

Number of Employees	Number of Companies	Percentage in the corporate sector
1 – 9	208.054	83.6
10 – 49	33.132	13.3
50 – 299	6.702	2.7
300 – 499	526	-
500 – 999	330	-
More than 999	165	0.4 (300 employees and more)

According to the Austrian Institute for SME Research, in 2003 64.8 % of all employees worked in the SME sector and 35.2 % in companies with more than 250 employees.

1.1.4. International Conventions Subscribed by the Country

Austria has subscribed most of the important international and European conventions on human rights and nature. Problems in which intensity some of these conventions are observed have i.e. been discussed in context with the Woman Referendum in 1997 that was signed by 644.665 Austrians. Consequent politics of sexual equality concerning the state and economies, in the way they were demand on the referendum, have not been realized until now.

Austria has signed the European Convention on Human Rights (ECHR) and therefore accepts the resolutions of the European Court of Human Rights concerning national law and courts.

In a number of matters concerning environment, Austria's demands exceed the European agendas, i.e. the engagement of Austria in the Convention for the Alps is in a permanent conflict with economical interests of the European Union. Another example of a distinctive environmental consciousness in public and consequent politics is the fact of not using nuclear energy in the country.

Moreover, concerning the Austrian development politics of the Federal Ministry for Foreign Affairs, things substantially changed in 1992. Up to this time the supports were predominantly assigned with many countries acting in small projects in different sectors. In 1992 a selection took place to select co-operation countries with the goal to concentrate the supports on these countries. In the consequence sector programs were formulated together with the partner countries.

The Austrian development politics were affected very strongly by international political changes in the starting nineties. On the one hand paging shifted the interest in development questions in Eastern Europe. Reasons for it can be seen to the better export chances for enterprises in the geographical proximity and in the embarrassment by the war events in former Yugoslavia.

Further the entry of Austria to the European Union at in 1995 was a political and economic change with itself. By the entry Austria has the possibility of taking part of the common European Union development policy however it has also the obligation to co-finance the common development co-operations. Austria's commitment to the politics concerning international conventions of the European Union lets the country follow the mainstream of the international development policy, which sat down to the goal of decreasing the world-wide poverty, secure peace on earth and arrange a fair process of the globalization. The concrete goals are formulated in the International Development Goals (please see www.bmaa.gv.at). The Millennium Goals are today a firm point of reference in the international development policy.

1.2. CSR History in Austria

In the beginning of 2002 CSR was discussed by the Federation of Austrian Industry³ and the Federal Ministry for Economic Affairs and Labour leading to start the program CSR Austria together with the Austrian Chamber of Commerce as another partner. This program initiated the first study about CSR in Austria by sending a 14 pages questionnaire to 1.210 Austrian companies. The questionnaire was answered by 243 participants of the study (ratio of return: 20.1 %). From June to December 2003 business representatives met representatives from diverse social groups, social partners, international organisations and NGO's to fundament the guiding CSR vision for Austrian businesses with the motto: "Economic Success – Responsible Action."

1.3. CSR Overview

1.3.1. CSR Situation in Austria

According to the CSR Austria Study in 2003 activities in any kind of corporate citizenship have been made in 2002 by 97 % of the enterprises. Regarding small enterprises one third was engaged in an amount up to 2.500 EUR, the second third between 2.500 and 5.000 EUR and the most active third with more than 5.000 EUR. The first third of middle-sized

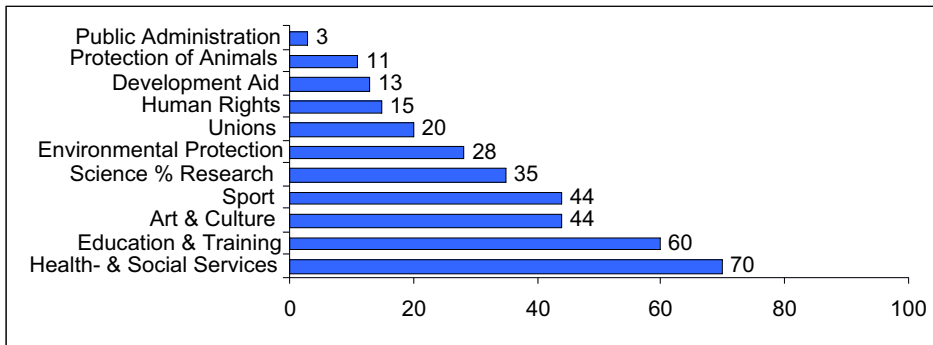
³ Österreichische Industriellenvereinigung (IV).

enterprises have invested up to 7.000 EUR into corporate citizen activities, followed by a second third with up to 15.000 EUR and a final third engaged with over 15.000 EUR in one year. The appropriate limit values of large companies are 12.000 and 45.000 EUR.

Cash donations are the most popular field in corporate citizenship with 93 % of the Austrian companies, followed by donations in goods (85 %). Non profit organisations are financially supported by sponsoring contracts with 68 % of the enterprises while another 58 % are engaged in the field of corporate volunteering of their co-workers.



Subjects of Interest in CSR



Source: CSR Austria Study in 2003.

Reasons for supporting non profit organisations are in three of four cases the ethical and moral conviction of management (concerning the owners in 38 %), while one quarter believes in a positive impact for their business success and 23 % are motivated for corporate citizenship due to their co-workers. Public pressure leads to engagements in 6 % and defaults of the parent company in 3 %.

To differentiate on the basis of companies' size, small enterprises consider the positive impact on their business due to CSR only in 12 % - a number that is doubled considering middle-sized and large companies.

Reasons for not improving their engagement in corporate citizenship are the missing financial resources (68 %), too less or too unclear use of the engagements in relation to its expenditures (53 %) and missing time resources (46 %).

Still there is no unique and an in general accepted definition of CSR in Austria.

1.3.2. Main Facts Related to CSR Occurred in 2003 / 2004

- 2003, February 19: Start of the website www.csr-austria.at;
- 2003, February: Start of the study "CSR Austria";
- 2003, June: Start of the stakeholder dialogue to develop the guiding vision of CSR for Austrian businesses;
- 2003, November 14: Presentation of the initiative CSR Austria at the CSR-Conference of the EU in Venice;
- 2003, November 17: In Seven steps to a sustainability report;
 - Presentation of a brochure;
- 2003, December 3: Guiding vision "Economic Success – Responsible Action";
 - Presented by the Minister for Economic Affairs and Labour;
- 2004, January 13: TRIGOS – First Austrian Award for CSR -Presentation of the initiative;
- 2004, February 19: CSR-Congress at the University of Economic in Vienna;
- 2004, March 16: CSR Graz, Start of a series of workshops in Steiermark.

Please also see 8.4. Main CSR Events during 2003.

1.3.3. Expected CSR Trends

Two of three companies taking part of the CSR Austria Study in 2003 want to keep on the same level considering their corporate citizenship activities. 23 % of the companies expect a rise of their engagements and 10 % a reduction.

Only 14 % of the companies plan their corporate citizenship activities in a strategic way. 52 % of the decisions are made regarding politics of the enterprise but without a strategic analysis. With 32 % of companies engaged in corporate citizenship without any strategic relation to their business it can be expected that on the long run corporate citizenship will become more professionalized.

A higher recognition for corporate citizenship activities is wished by 37 % of the companies, followed by the demand on higher professionalism of non profit organisations (26 %) and a certification of companies with a large engagement in corporate citizenship (21 %). On the first place however companies (as well as Austria's non profit organisations) would expect fiscal removability concerning their financial spending (78 %).

Finally, recognition of CSR as a win-win strategy is not enough developed in the Austrian CSR situation.

CHAPTER 2. BUSINESS ETHICS



2.1. Use of Written Statements

2.1.1. Visions and Values

According to the CSR Austria Study in 2003 three-quarter of the Austrian companies have a system of values based on their specific profile. In most of these cases it is documented as a company's vision or its mission statement. The intention about visions and values written by the companies is to improve the corporate culture (93 %), support the correct behaviour of their co-workers (68 %) and improve management qualities (61 %).

One of four companies has external reasons for writing the company's values to improve the image, 12 % of the companies want to increase their acceptance in the local surrounding field.

Values most highly classified are honesty (80 %), reliability (79 %) and responsibility (71 %).

One a second stage the estimation of values in their importance is following in:

- Self initiative (64 %)
- Success orientation (61 %)
- Flexibility (56 %)
- Team working (55 %)
- Openness (55 %)
- Thriftiness (39 %)
- Self-assurance (34 %)
- Tolerance (33 %)
- Discipline (30 %)

Arguments of the companies relying to written statements are the importance of economical success (66 %), followed by expectations of their stakeholders (64 %). Nearly one quarter of the written statements is regarded as an orientation for economical decisions in difficult circumstances.

The implementation of written statements is powered in 96 % by the company's management. In 33 % high-level personnel was responsible in working out written statements, followed by personnel department and co-worker committee (7 %), consultants (6 %) and communication department (3 %).

The responsibility to keep the written values is regarded in 86 % to be a matter of the management, high-level personnel (61 %) and the whole number of co-workers in 37 %.

2.1.2. Mission

Two of three companies in Austria express their high meaning of protecting nature in a way that they admit this mission in writing and in public. About half of the companies using written statements see this as a basis for developing the own company to a responsible corporate citizen. But there is also the opinion that values in the own enterprise – especially in family businesses – are a matter of course and don't need to be formulated as missions or in other forms of written statements.

Mission statements can also be regarded in the context of advertisement and product design that can point out an environmental or eco background and mission to its buyers (i.e. in opposite to genetically modified products). In this advanced sense a growing consciousness for missions can be noticed especially in the consumer goods markets in Austria.

2.2. Corporate Governance

2.2.1. Codes of Conduct

The Austrian Code of Corporate Governance is a “voluntary self-regulatory initiative designed to reinforce the confidence of investors by improving reporting transparency, the quality of cooperation between supervisory board, management board and shareholders, and by taking long-term value creation into account.” (Preface of the Code).

Prepared as a draft by the Austrian Institute of Certified Public Accountants⁴ and the Austrian Association for Financial Analysis and Asset Management⁵, an Austrian working group consisting of representatives of IWP and ÖVFA, listed companies, investors, Stock Exchange Vienna and Academia finalized the Code in October 2002. The Code primarily applies to Austrian stock listed companies and is based on the provisions of Austrian corporation law, securities law and capital markets law as well as on the principles set out in the OECD Principles of Corporate Governance. It is also recommended that companies not listed on stock exchanges follow this Code.

The Code comprises different categories of rules from legal requirements and rules where any deviation must be explained up to recommendations, where it is the nature of these rules that any non-compliance with it requires neither disclosure nor explanation.

As the CSR Austria Study in 2003 has shown, 59 % of the Austrian enterprises know the discussion about corporate governance. 16 % of the companies taking part in the study have signed the Code. The reasons for not signing the Code are not enough use from it for every second company followed by too much bureaucracy (43 %), no demand on the side of clients, banks or investors (36 %) and not enough orientation on the needs of SME (36 %).

Companies having signed the Code do this for being better prepared for the future (62 %), thinking that transparency and control is a sign for a successful enterprise (62 %) and believing in the importance of corporate governance in the context of international financing (54 %).

2.2.2. Business Principles Statements

Based on the principles of relevant laws in Austria as on the OECD Principles of Corporate Governance (please see 2.2.1.), the Austrian Code of Corporate Governance contents laws, rules and recommendations in the following topics:

- Shareholders and the general meeting;
- Scope of competence and responsibilities of the management board;
- Rules governing conflicts of interest and self-dealing;
- Compensation of members of the management board;
- Scope of competence and responsibilities of the supervisory board;
- Appointment of the management board;
- Committees;
- Rules governing conflicts of interest and self-dealing (supervisory board);
- Compensation of members (supervisory board);
- Qualification of members of the supervisory board;
- Qualification of members and composition of the supervisory board;
- Co-determination;
- Cooperation between the supervisory board and the management board;
- Transparency and auditing;
- Transparency of corporate governance;

⁴ IWP - Institut Österreichischer Wirtschaftsprüfer.

⁵ ÖVFA - Österreichische Vereinigung für Finanzanalyse und Asset Management.

- Financial reporting and disclosure;
- Investor relations and the internet;
- Audit of the financial statements.



However according to a study of the law firm Haarmann Hugel in Vienna in 2003 that analyzed the websites of 37 companies on the Austrian prime market only one company could be identified accepts the Corporate Governance Code completely (OMV). Recent members of the Code are 17 companies.

2.2.3. Dialogue with Stakeholders

According to the Austrian Code of Corporate Governance shareholders (as one group of the total group of stakeholders) are to be treated equally unless there are legitimate reasons justifying a differentiation. The rights of shareholders are exercised at the general meeting which must be held at least once a year. The management board as well as the supervisory board or a minority of shareholder owning 5 % of the shares may convene an extraordinary general meeting at any time (Austrian Code of Corporate Governance).

As the CSR Austria Study in 2003 shows, Austrian enterprises regard their clients and customers as the most important group of stakeholders (92 %), followed by co-workers on the second stage with 68 %.

In general the CSR-model promoted by CSR Austria is dividing stakeholders in three fields: Business ethics are concerned with co-workers, clients and suppliers; corporate governance is concerned with the responsibility of the management and supervisory board regarding shareholders and as a third field with corporate citizenship that shows the relations and role of the company regarding its social environment and the civil society with its organisations.

Considering the dialogue with important stakeholders in the context of being strategically aware on social, ethical and environmental risks, 63 % of the large Austrian companies followed by 51 % of middle- and 46 % of small-sized enterprises regularly accomplish risk analyses.

2.2.4. Transparency

As shown in 2.2.1, from all companies having signed the Austrian Code of Corporate Governance, 62 % regard transparency and control as a sign for a successful enterprise. However transparency in itself is not always wanted by all market players in the Austrian industries. As incorporated companies have the duty by law to publish at least one report a year, transparency is also become more and more a criterion of public awareness in reference to the credibility for all types of companies.

2.3 Accountability

2.3.1. Financial Reports and Auditing

In April 2002 the Austrian Financial Market Authority (FMA) assumed its powers and responsibilities under the Financial Market Supervision Act (FMABG). After a long debate on the establishment of an integrated financial supervisory authority, the act was approved in summer 2001.

All supervisory tasks and resources are transferred from the Federal Ministry of Finance (banking, insurance and pension funds) and the Austrian Securities Authority⁶ (securities supervision) to the new supervisory body. The reform has established the FMA as an institution under public law, and its independence is secured by constitutional provision. The FMA is now the single statutory supervisory body directly responsible for banking, insurance and pension funds, securities and stock exchange supervision.

The Austrian Constitutional Court's ruling from December 12, 2001 indirectly rendered the legal foundation of the FMA obsolete. The Supreme Judges saw the corporization of financial market supervision in conflict with principles of the Austrian Constitution. In an

⁶ Bundes-Wertpapier-Aufsicht.

amendment, the Austrian Parliament repaired the act with the votes of all parties represented in parliament and the status of the FMA was secured by constitutional provision.

The need to reorganize the old supervisory regime came to a certain extent from the altered international regulatory conditions. This development particularly relates to the Basel Core Principles and the new, distinct capital provisions under Basel II, which are under consideration. On the other side, the growing globalization of the financial markets necessitates an expansion of audit and supervisory activities and increased international cooperation of supervisory authorities. New advances in the financial world, increasing complexity of financial services, growing cross border business, company mergers and the emergence of financial conglomerates pose a new challenge for supervisory authorities.

The Austrian approach to financial system supervision concentrates on the core functions performed by the financial system, rather than on institutions or sectors and is in line with a functional approach to supervision. The new, single financial supervision system overcomes the institutional segmentation of the old system and has considerable potential for increased cost efficiency and sufficiency of resources. In addition the new system is sector neutral and ensures a level playing field for all financial institutions doing business in Austria. To enhance the enforceability of supervisory measures, the FMA will be vested with administrative penal power and the power to enforce its supervisory rulings. Moreover, the FMA has the power to issue ordinances. No appeal of any kind is possible against rulings issued by the FMA (with the exception of administrative penal rulings).

The FMA is made up of an Executive Board and a Supervisory Board. The Executive Board consists of two directors, who are appointed on the basis of a proposal by the Federal Minister of Finance and the OeNB - the Austrian central bank - with reappointment permissible. Their term of office is three years when first appointed, five years in case of reappointment. The Board is in charge of all FMA's operations and conducts the FMA's business. The Supervisory Board of the FMA is composed of the Chairman, the Deputy Chairman and six other members. The members of the Supervisory Board are appointed by the Federal Minister of Finance. The Deputy Chairman and two additional members of the Supervisory Board are designated by the OeNB. Two co-opted members are designated by the Austrian Federal Economic Chamber. Supervisory Board members serve for a period of five years, with reappointment permissible. The Supervisory Board oversees the management and the conduct of business of the FMA. Certain undertakings require the approval of the Supervisory Board (e.g. finance plan, purchase of property, annual accounts, rules of procedure).

To foster cooperation and the exchange of views and to provide advice on supervisory matters, a Financial Market Committee is set up at the Federal Ministry of Finance, serving as a platform for the institutions jointly responsible for financial stability. This committee, however, is no decision making body of the FMA.

As already the state of affairs in insurance and securities supervision, the costs of supervising the banking and pension fund sectors will be borne foremost by the supervised institutions themselves. The Republic of Austria pays an amount of 3.5 million per fiscal year, and the FMA is obliged to perform in the most economical and cost efficient way.

Despite the establishment of the FMA as the single, statutory supervisory body, there is a far reaching and extended operational involvement of the OeNB in the supervision of the banking system. By law, the OeNB must be entrusted with on site inspections and the examination of credit and market risk of banks. The Banking Act anticipates the extension of auditory responsibilities to other financial institutions. A formal consultation process assures strong institutional cooperation between the FMA and OeNB (participation of FMA and OeNB members at on site inspections is possible), and OeNB's position in international supervisory cooperation is enhanced. The OeNB's rights to be consulted (e.g. prior to the granting of a license or issuance of an ordinance), which are laid down in the Banking Act, remain untouched. The OeNB will continue to collect and process money and banking statistics (e.g. monthly returns, quarterly reports, major loans register) on behalf of the FMA.

With the formation of the FMA, there is an independent, efficient Austrian supervision in line with recent international developments that is open to material improvements in supervisory instruments and future requirements benefiting the stability of the Austrian financial market. The FMA has budgetary independence, autonomy in employment and the resources to recruit highly qualified staff. The FMA will use its resources in the most economic and efficient way.

The FMA aims to be an open, transparent and consistent supervisor, and its accountability is clearly defined.

Source and more information under www.fma.gv.at.



2.3.2. CSR Reports and Auditing

As it will be shown in 5.3., reports for sustainability have already been published by OMV, Telekom Austria, EVN, Verbund and others.

2.3.3. CSR Related Certifications

According to a report of ISO in December 2002 around 50.000 organisations over the world have been certificated with the norm ISO 14001. This report includes 429 certifications in Austria. For 2003 the analyses of the German Federal Environmental Agency show 500 certifications in Austria.

The initiative ÖkoBusinessPlan Vienna offers programs in the following environment certifications considering size and market of a company:

- ÖKOPROFIT
- EMAS
- ISO 14001
- UMWELTZEICHEN TOURISMUS
- ÖKOBONUS

More than 420 enterprises alone in Vienna have already took part at ÖkoBusinessPlan Vienna and realized over 5.000 projects and measures in environmental concerns.

2.3.4. CSR Toolkits

CSR toolkits are recently developed in a number of organisations (please see chapter 8), enterprises, non profit organisations and universities.

CHAPTER 3. SOCIAL RESPONSIBILITY

A – Internal Dimension

3.1. Human Resources Management

As the economic situation in Austria is in a strong interdependence with the problematic markets in Germany over the last years, human resources management is in a conflict between becoming a more important sector of economic success and the tendency of a "hire and fire" mentality. Low-paid jobs without social securities are one of the answers for the flexible needs in many industries while on the other hand human resources management is becoming more professional particularly in companies with the need of a permanent staff with high competences and qualifications.

Nevertheless a new project on human resources management in Austria was in Austria in March 2004: The IIP Standard (Investors in People) which was initiated in UK in 1991 to promote competitiveness and is internationalised since 1998 (now operating in 26 countries around the world) was introduced in Austria by IV in a pilot project in March 2004. Kick-off workshops in the companies taking part at the pilot project begin in April 2004. From April to June analyses and reports are made in these companies to be the basis for common works on action plans. Finally in March 2006 the companies should be awarded with renowned IIP Standard.

The nine Austrian companies chosen by IV to join the pilot project are:

- AMS Burgenland
- Benda-Lutz Werke GmbH
- Borealis GmbH
- Cimbria Heid GmbH
- Intercell AG
- ISS Facility Services GmbH
- LEM NORMA GmbH
- voestalpine AG
- DLA Weiss-Tessbach

More information about the project is available under www.investorsinpeople.at.

3.1.1. Lifelong Training

Further and external trainings for management and co-workers vary in view to the size of the Austrian companies. Two of three middle-sized or large companies are regularly engaged to train their staff in all levels of qualifications. Middle management is regularly qualified by in 73 % of the large Austrian enterprises and 64 % of middle-sized enterprises, followed by top management in 60 % of large and 56 % of middle-sized enterprises. Related to all groups of co-workers no training is offered to 3 % of the staff in large and 5 % in middle-sized enterprises. A big number of the companies in Austria have own programs for qualifications related to their specific needs.

The yearly engagement for every staff member of the Austrian enterprises taking part in the CSR Austria study in 2003 is up to 500 EUR in 67 % of the companies, between 500 and 1.000 EUR in 15 % and over 1.000 EUR in 18 %.

3.1.2. Balance between Working and Private Life

According to a study of GfK Group⁷ work is more important to the Austrians than their spare time. The international study shows that 41 % of the Austrians see more value on working than on the free time. For 20 % the recovery plays a larger role. 38 % consider a balanced relationship between work and spare time. For this study approximately 22.000 humans were asked in 21 countries in 2003.



3.1.3. Equal Opportunities

According to the CSR Austria Study in 2003 the equal treatment of co-workers is regarded as very important by more than half of the companies. To promote woman in high-level positions is estimated as very important by 15 % and as important by 52 %. As family-friendly possibilities 85 % of the companies are offering flexible working times, 74 % part time jobs and 28 % working in the home office. Specific children-orientated offering are made by 5 % of the companies, while these measures could only be determined in the field of large companies.

3.1.4. Voluntary Social Protection Charges

53 % of the companies taking part in the CSR Austria Study in 2003 offer additional investigations for health care of their co-workers. Another 48 % are engaged in offering programs in sports and spare time, followed by 41 % in cultural activities. The additional social security often has a long-term tradition in family businesses in Austria.

3.2. Health and Safety at Work

With support of the European Union AEIOU as a new platform for healthy enterprises was founded in Austria in July 2003. Because already a quarter of all early retirement is caused by ill-health and the average age for retirement sinks, several Austrian organizations have created this platform in order to encounter this development (the Chamber of Commerce, the Trade Union Association OEGB, the Pensions and Accident Insurance, the Federal Office of Social Affairs and the Red Cross). Its purpose is launch projects which help to design work processes in a way that employees remain longer at work.

3.3. Adaptation to Change

An active employment policy is the central element of the European politics in social and labour fields including guiding lines to improve the adaptation to change. Austria's political measures in this field are focussed and realized by social partners, ministries and the Labour markets service of the state⁸. In special laws and recommendations, financial incentives for companies and concrete programs for unemployed people, Austria's strategy is to combine personal responsibility with advancement against the background of reforms in the social systems.

According to the CSR Austria Study in 2003 61 % of the companies include their co-workers in restructuring measures as every second company is looking for alternative solutions when its stuff in danger due to operational reasons. Every third company therefore is investing in measures to better qualifications or re-education of its co-workers.

⁷ GfK - Gesellschaft für Konsumforschung (Society for Research on Consumption).

⁸ AMS – Arbeitsmarktservice.

B – External Dimension

3.4. Local Communities

3.4.1. Sponsoring

Sponsoring activities in Austria are estimated in an amount of 100 million EUR in 2003 with a tendency to rise (Chamber of Commerce Austria). Following a study of the non profit organisation CARE in June 2003 which includes 300 asked decision makers of the top 1.000 enterprises in Austria, the winner in attractiveness is social sponsoring with 37 %.

A study realized by GfK in 1998 shows the following picture on sponsoring in Austria. Participants of the study have been the top 500 Austrian companies of which 479 companies provided information about their sponsoring activities.

Participants of the study:

- 45 % Industry
- 32 % Retail
- 7 % Energy sector
- 4 % Banking
- 3 % Insurances

As the study was focussed on the field of arts it shows the following segmenting:

- Fine arts 27%
- Music 25%
- Performing arts 21%
- Literature 8%
- Film/photography 8%
- Architecture/design 7%
- New media 6%

76% of the asked enterprises were represented with their art sponsoring activities in the media:

- 94% in printed media
- 58% in internal publications
- 49% on TV
- 38% in the radio

With their medial presence 20 % have been very satisfied, 25 % satisfied, 21 % neutral, 10 % are not and another 3 % not at all satisfied (21 % did not answer to this question).

3.4.2. Corporate Volunteering

The European Survey of Values from the University of Tilburg (NL) shows that in 2000 66.8 % of the Austrian population is a member of at least one voluntary organisation (West-Germany: 50.9 %). Voluntary work for an organisation is done by 30.4 % of the population (West-Germany: 22 %).

As shown in 1.3.1, the number of enterprises in Austria engaged in corporate volunteering is 58 %.

3.5. Business Partners, Suppliers and Consumers



3.5.1. Development of Long Term Partnerships

Besides to a growing consciousness concerning strategic partnerships for new business opportunities in the field of internet and communications technologies and other innovative sectors, there is also an upcoming focus of Austrian enterprises being partner in public projects like infrastructure, building industry, health service and cultural or social fields.

PricewaterhouseCoopers has analysed in 2003 a potential of savings for the Austrian state in an amount of 250 million EUR each year if joint-ventures and public private partnerships between private enterprises and the state were realized consequently. The management of Austria's Investkredit Bank estimates a potential of 1.5 billion EUR possible in public private partnerships projects in the country (Investkredit, Wilfried Stadler, Austrian Press Agency 2004). Every fourth road and up to 40 % of the health achievements come from private companies according to Investkredit. Public Private Partnership in the value of 2 - 3 billion EUR has already been realized in Austria. In addition the building of the mobile phone infrastructure is a public private partnership with an additionally volume of 1.5 billion EUR.

One of the latest initiatives in the field of public private partnership in Austria is the 3P Public Private Partnership Foundation www.ppp-f.at, founded by some of the most renowned advocates of Austria.

3.5.2. Supply Chain Ethical Control

Apart from cost reasons Austrian enterprises select their suppliers, according to the CSR Austria Study in 2003, for 84 % due to the criterion of quality management followed by standards in health and security (66 %), prohibition of children at work (44 %), engagement in protecting nature (38 %) and keeping of the human rights (33 %).

Besides to a growing public awareness on corporate social responsibility scandals i.e. in consumer goods like BSE have lead to a change in thinking about the derivation of products.

3.5.3. Responsible Marketing

Besides to a number of best practice responsible marketing activities in Austria, no representative data were available in this field. Even the office of the Austrian Advertisement Association and the president of the European Advertisement Association could not help us in getting data material in this field and respectively in 8.1. cause related marketing.

3.5.4. Design for all

Design for all is a challenge discussed in Austria in various contexts from equal conditions in studying at schools and universities up to technical developments i.e. automats in public. The government i.e. is supporting special university studies in design for all concerning e-accessibility.

In 2003 the Austrian Federal Chancellery was one of the winners of the eEurope Awards for eGovernment organised by the EU Information Society with the following project:

HELP – Virtual Guide to Austrian Authorities and Institutions, Federal Chancellery
HELP is a virtual guide to Austrian authorities, offices and institutions that provides citizens with information on official proceedings, dealings and fees, as well as forms that can be downloaded or completed on-line.

3.6. Human Rights

Within the human rights policy of the European Union Austria was especially engaged in the further development of the guiding lines of the EU based on the catalogue of measures from December 9 in 2002. Furthermore Austria was an active partner in the discussion of the EU concerning the preparations for the UN Commission on Human Rights at UN General Assembly. Austria was also a participant of several EU missions in 2002 in conflict areas.

3.7. Social Labels

No representative results for Austria could yet be identified for this research.

3.8. Fair Trade Initiative

EZW Dritte Welt, founded in 1975 is the largest importing organisation by far in Austria. It accounts over 60 % of the sales of Austrian world shops. The second largest organisation, Eine-Welt-Handel, has grown considerably in the last few years and has begun to establish a network of franchise shops. Five further organisations fulfil the Austrian world shops criteria for accreditation of suppliers to world shops: El Inka, CONA, LiCok, SAT and dritte-welt-partner (from Germany).

Austria has 68 world shops, of which 62 are members of the Austrian world shop association (ARGE Weltläden). Since 195 all member world shops have operated under the same name and logo. They also have a common marketing and communication plan and engage in many joint activities all the year round. The typical shop has one paid part-time coordinator working with a group of anything between 6 and 20 volunteers.

Since 1993 TransFair Austria has been active in bringing Fair Trade products into the supermarkets. Labelled products in Austria currently include coffee, tea, cocoa and chocolate as well as orange juice. Through 8 licensees, Fair Trade labelled products are available in more than 1.500 supermarkets.

The two largest importing organisations have a joint turnover of around 6.5 m. EUR. According to a market research in 1999 (Nielsen), 30 % of the Austrians recognise the Fair Trade label. Of these 9 % have bought TransFair products regularly, 38 % occasionally and 49 % not at all.

Source: European Fair Trade Association (EFTA, 2001)

CHAPTER 4. ENVIRONMENTAL RESPONSIBILITY



4.1. Management of Environmental Impacts and Natural Resources

4.1.1. Minimizing Environmental Impacts

The OECD Report 2003 shows that the efforts of Austria's industry to decouple economical growth and environmental pollution work out. One indicator for that is – according to OECD – that the GNP in Austria has grown about 40 % faster in the last ten years as the energy consumption.

While the latest OECD report shows progress in some fields, especially the water quality of the rivers and lakes, non profit organisations criticise a still not satisfying environmental situation in Austria concerning climatic protection. In this field Austria belongs to the latecomers in Europe. Looking to the future, the OECD report in 2003 recommends that Austria:

- Improves its water and nature management framework in the European context, including the challenging Water Framework and Habitat Directives. A coherent network of protected areas is still missing in Austria, and management is not sufficient in a number of protected areas.
- Improves the efficiency of its environmental policies and cuts environmental subsidies to be in line with the "polluter pays" principle. This will entail a wider use of economic instruments.
- Better integrates environmental concerns in sectoral policies such as energy, transport, agriculture and forestry policies through institutional integration and market-based integration. This includes a need for better demand management (e.g. transport, waste).
- Translates the environmental diplomacy objectives of the country more clearly in its Official Development Assistance programs and financial assistance to central and eastern European.
- Implements the national climate strategy, including by use of fiscal and other economic instruments.
- Focusing on the past 10 years, the report recognizes Austria's major environmental achievements, including:
 - Continuous progress in reducing emissions of a range of air pollutants and decoupling SO_x, NO_x and CO₂ from economic growth, reaching low levels of pollution intensity, reflecting a low energy intensity and relatively high supply in renewable energy (24% of total).
 - The quality of surface waters has continued to improve, and the quality of groundwater can rightly be a matter of national pride.
 - The effective enforcement and compliance of environmental regulations reflect the convergence of public demands, federal and provincial efforts and industry's commitments to environmental progress.
- Overall, Austria's expenditure on pollution abatement and control - more than 2.1% of GDP - represents a strong environmental effort by OECD standards and has generated economic benefits such as exports of environmental technology and encouragement of its large tourism industry.

4.1.2. Product Lifecycle Approach

Austria's consumers are on the world top concerning waste separation with over 100 kilogram packing per person in one year (source: ARGEV). The largest growth of potential recyclable in 2002 were light packing (+ 5.1 %), metal packing (+ 5.2 %) and wood packing (+ 6%).

In a study of IMAS in 2003 96.6 % of the Austrian population say that they separate packing.

4.1.3. Eco-labels

Besides to a number of special eco-labels offered in special stores in Austria (please find more at <http://e-taten.municipia.at>), 315 enterprises are active in the environmental technology industry reaching 2.5 billion euro profit. In industries such as biomass technology, energy efficiency and solar technology secure 16.000, together with the sector of environmental services the number of jobs is 85.000 places. The export quote of these environmental enterprises is at 60 %, which can be regarded as a proof for high quality and competitive ability. Important industries in Austria are based on nature, like the tourism and forestry.

4.1.4. Savings in Natural Consumption

The OECD Report in 2003 showed a better environmental responsibility particularly obtained in the sectors industry and energy supply, while private consumers exhibit constantly rising values. The traffic sector remained on constantly high level. The goal of 103.000 tons of NO_x as a national maximum quantity of air pollution in 2010 (EU guideline 2001/81/EG) was by far exceeded in 2001 with emissions by 199.000 tons. Following STASTIK AUSTRIA the companies in Austria pay 10 million EUR each day for environment protection which is 3.7 billion EUR in one year. The spending in environment is divided as follows:

- 55.2 % by companies
- 24.7 % by the state and non profit organisations
- 20.1 % by private households

In 2000 the spending for environment protection was at a total amount of 6.7 billion EUR (in 1999: 6.9 billion EUR). The spending has been invested in the following fields:

- 34 % for water protection
- 33 % for waste management and industry
- 13 % for nature protection
- 8 % for air and climate protection
- 4 % for research and development, noise control and radiation protection

4.2. Global Environmental Concerns

The Environmental Sustainability Index (ESI) of the Yale Centre for Environmental Law and Policy and the Centre for Earth Science Information of the Columbia University which measures the environmental performance of 122 countries has listed Austria at place 8 at a glance and at number 5 in Europe (ESI 2001).

A problematic situation, according to the Austrian Ministry for Environment, is that in 2003 the country emitted 4.8 % more greenhouse gases than in 2001. In the comparison to 1990, the Kyoto base year, Austria emitted in 7.8 million tons, which is 10 % more greenhouse gases in 2001. The OECD Report in 2003 shows the result that Austria could not come nearer to the Kyoto goal of a 13-% reduction from greenhouse-effective gases till 2010.

4.3. Sustainability Development Practices

As the CSR Austria Study in 2003 shows, only 27 % of the small-sized companies have written statements for environmental concerns although the readiness of protecting nature is highly developed in the country. Reasons for this gap may lie in the traditional aspect that the regional locations of these companies often are at the same time tourist regions so that sustainable development practices are in their own interest. Still many of the SME, which are not in the same extent under the pressure of public, see not enough need or use in a declaration of their position concerning environment.

Austrian non profit organisations furthermore postulate that the government should get in use of fiscal and economic instruments of environmental protection.



CHAPTER 5. SOCIALLY RESPONSIBLE INVESTMENT (SRI)

5.1. Social Ratings

A study of the Austrian Gallup Institute in 2002 shows that 34% of the Austrians and 58 % of investors orientated in environment, are interested in an index for the social and environmental sustainability of Austrian companies. 34 % of the investors without shares in Austrian companies are willing to invest in Austrian companies as soon as their social responsibility has been proofed.

Indicators to measure CSR are developed in a current dialogue between the Stock Exchange in Vienna and the University for Economics at the open web platform www.easey.at (please find more at 5.3.).

5.2. Ethical Funds

In 2002 private investing in Austria in ethical funds has reached 1.4 billion EUR, which is 0.4 % of the Austrian funds volume (Source: Oberösterreichische Nachrichten, 29.01.2003).

Ethical funds in Austria have been tested by the Magazine Konsument in February 2003 following the criteria of analyses like:

- Nuclear power
- Genetic engineering in agriculture
- Effects on climate change
- Persistent organic pollutants
- Armament goods
- Human rights
- Research on embryo

The only ethical funds that could keep all criteria were Prime Value Mix. Other ethical funds are evaluated in the following table – for further information please see the websites below:

- Prime Value Mix: ++
(Bank Gutman, www.gutmann.at), since 28.12.1995
- Raiffeisen-Ethik-Aktien: +
(Raiffeisen Zentralbank Österreich, www.raiffeisencapitalmanagement.at), since 13.05.2002
- Kepler Ethik Aktienfonds: +
(Raiffeisenlandesbank Oberösterreich, www.kepler.at), since 02.07.2002
- s EthikAktien: +
75/117/EC – Equal payment between men and women (Sparkasse Oberösterreich, www.kag.at), since 02.05.2002
- Superior 3: +
(Bankhaus Schelhammer & Schettera, www.schelhammer.at/kag/), since 18.11.1991
- s EthikBond: +
(Sparkasse Oberösterreich, www.kag.at), since 02.05.2002
- Espa Stock Ethik: +
(Erste Bank, www.sparinvest.at), since 17.06.2002

- ABN Amro Funds – SICAV Socially Responsible Equity: 0
(Ernst & Young Vienna, www.asset.abnamro.nl), since 03.12.2001
- Invesco Fair / Invest Balance: -
(Constantia Privatbank, www.invesco.at), since 13.05.2002
- AXA World / II – Global Ethical Equities:
(Bank Austria Creditanstalt, www.axaim.de), since 02.01.2002



As the list shows, ethic funds have no long tradition in Austria, but it can be expected that this kind of investment is just at the beginning. Following Austria's daily newspaper for economics, the total number of funds with ethical, environmental or sustainable orientation available in Austria has been 46 in autumn 2003 (WirtschaftsBlatt, 09.09.2003).

5.3. Companies Listed in Social Indexes

According to the Austrian association of financial analysts (ÖVFA) over a dozen of the 40 companies in the prime market at the stock exchange in Vienna already would fulfil the criteria of a CSR index. As talked about in 5.1., a new index is planned at the stock exchange in Vienna especially for CSR. At the current status it is planned that this EASEY-Index should start with 12 till 17 members. Important Austrian companies such as Erste Bank, voestalpine and UNIQA already have shown their interest. According to the newspaper Standard (03.11.2003) VA Tech is one of Austria's leading companies in CSR, also listed in the FTST4Good-Index. Reports for sustainability have already been published by OMV, Telekom Austria, EVN, Verbund and others.

CHAPTER 6. CSR LEGAL FRAMEWORK

6.1. Health and Safety at Work

Health and safety at work is a field with many guiding lines that have to be converted in the Austrian law. The law for protection of employees in Austria⁹ is based on regulations in health protection and safety on the one side and regulations for the use of stuff on the other side concerning especially youth workers and (pregnant) women.

6.2. Social Audit Reports

No representative results for Austria could yet be identified for this research.

6.3. Staff Training

No representative results for Austria could yet be identified for this research.

6.4. Protection of Women, Minorities and Disabled People

Protection of women, minorities and disabled people is a living discussion in Austria in various contexts in schools, public, companies and authorities or in fields of initiatives against racism, discussions about asylum, a better education (i.e. concerning German language) etc. With the website www.help.gv.at the Austrian government agency has implemented a help site on the Internet in different languages offering information which is necessary for living and working in Austria (please find more about HELP at 3.5.4.).

Various laws in Austria handle with the protection of women, minorities and disabled persons. At work they are discussed between the unions, works committees, chambers of commerce and labour courts.

6.5. SRI and Pension Funds

Sustainable investment in pension funds is developed in many Austrian companies. The standard ÖGUT for the declaration and reporting about sustainability was established in December 2002 and is already fulfilled of the pension funds of following companies in Austria:

- APK MVK
- BAWAG/Allianz MVK
- BONUS MVK
- BUAK GmbH
- NOE Vorsorgekasse
- ÖVK Vorsorgekasse AG
- Victoria Volksbanken MVK AG

⁹ ASchG Arbeitnehmerschutzgesetz.

CHAPTER 7. NATIONAL SUPPORT INITIATIVES ON CSR



7.1. Financial Support to Social and Environment Certifications

The financial support for enterprises in environmental fields, especially in renewable energies, in building and infrastructure, led to the law for governmental support in environment¹⁰ established in 1993. The responsibility for the execution of this financial support was put on the Kommunalkredit Austria AG because of costs and efficiency. In the period of ten years (till 31.03.2003) the Federal Ministry for Environment has supported on this way 19.017 projects of companies enabling a volume of 12.7 billion EUR by a present value of support by the state of 4.2 billion EUR.

7.2. Fiscal Exemptions on Donations

In almost the same manner NPOs and companies in Austria demand more fiscal exemptions on donations. The comprehensive body of legislations in this field is still a special case in the EU and OECD because of the status quo that fiscal exemptions are only possible concerning donations in the field of science and research. Private donations have a fiscal recognition up to 10 % of the earnings in the year before, donations by companies up to 10 % of their last year's profit.

The Austrian fiscal does not accept donations for social projects, arts and cultural affairs (others than science and research), disabled people, development cooperation, humanitarian help, environmental and animal protection etc.

Together with Finland, Austria holds the last place in the field of exemptions on donations in the EU.

According to information from the Coordination Point of the Austrian Bishop Conference for international Development and Mission¹¹ given fiscal exemptions on donations not only in science and research the amount of private donations would rise by 2.5 % and the donations by companies by 8.5 %.

The situation could change in 2005 when the Austrian government could reform its fiscal systems.

7.3. CSR Awards

An innovation of CSR in Austria is the first Award for CSR www.trigos.at whose awards show will take place in May 2004. Trigos is an award initiated by the Federation of Austrian Industry, Austrian Red Cross, Caritas, Austrian Chamber of Commerce, SOS Kinderdorf, WWF and Humans.World.

Categories of the award are:

- Society
- Working place
- Market

The public invitation to Austrian companies to tender the award is between January 13 and April 6, 2004. The award is sponsored by Telekom Austria, Siemens, ÖBB and other companies.

¹⁰ Umweltförderungsgesetz.

¹¹ Koordinierungsstelle der Österreichischen Bischofskonferenz für internationale Entwicklung und Mission.

7.4. Social Index

As i.e. the Danish Ministry of Social Affairs has launched a Social Index as a tool for measuring a company's degree of social responsibility and show its result as a number between 0 and 100, a measurement like this is still missing in Austria but currently discussed between a wide range of institutions and companies.

7.5. Regional or Local Initiatives

As the initiative CSR Austria is a common platform of the Federation of Austrian Industry, the Ministry for Economic Affairs and Labour and the Austrian Chamber of Commerce the regional dependences of these institutions are currently engaged in promoting CSR also in the local areas of Austria. One of them is the Business CSR Network Vorarlberg (by Federation of Industry in Vorarlberg) with currently 9 members.

Another relevant platform, founded in the end of 2002 is WIN¹², a business initiative for sustainability which is initiated by the Styrian Business Promotion Agency (SFG), the Styrian Chamber of Commerce and the Styrian Provincial Government.

Main activities of WIN are:

- Online information platform: www.oeko.steiermark.at
- Business School: WIN is offering a Business School program for the duration of 8 month, awarding to maximum 15 participants the certificate "Styrian Sustainability Manager".
- E-Learning: WIN is offering programs in waste management and sustainable building.
- Regional events: From end of April till June 2004 WIN is realizing 9 local events around Graz to inform about CSR.

¹² WIN - Wirtschaftsinitiative Nachhaltigkeit.

CHAPTER 8. OTHER CSR INITIATIVES



8.1. Cause-Related Marketing

Austria's non profit organisations that are from time to time involved in cause-related marketing campaigns as well as the asked marketing and advertisement associations in Austria could not deliver representative data on the amount of projects or money spend / earned in the field of cause-related marketing for this report.

8.2. Research on CSR (2000-2003)

YEAR	NAME / DESCRIPTION	TYPE	ENTITY
2003	CSR Austria / Business Ethics in Austria	Study	GfP-Gesellschaft für Personalentwicklung; imug Beratungsgesellschaft; NPO Institut an der Wirtschaftsuniversität Wien

8.3. Organizations Dedicated to CSR

NAME	TYPE	# MEMBER	COMPANIES
Austrian Business Academy for Sustainable Development www.asd.at			
Austrian Business Council for Sustainable Development www.abcsd.at	Platform for Sustainability in the sense of CSR	55 Companies	
Austrian Code for Corporate Governance www.corporate-governance.at			
ADA Austrian Development Agency	The Austrian Foreign Ministry		
AGEZ – Arbeitsgemeinschaft für Entwicklungszusammen-arbeit www.oneworld.at			
corporAID www.icep.at	An ICEP-initiative for companies helping in the field of global poverty; corporAID - Magazine		
CSR-Austria www.csr-austria.at	Federation of Austrian Industry, the Ministry for Economic Affairs and Labour and the Austrian Chamber of Commerce		

NAME	TYPE	# MEMBER COMPANIES
NachhaltigkeitsTATENbank http://e-taten.municipia.at	Best practise database of Austrian sustainable development projects	contains more than 100 outstanding Austrian projects and initiatives supporting sustainable development
nanu! – Netzwerkagentur für nachhaltige Unternehmenskultur www.nanu.biz	Network of experts on CSR consulting and implementing projects and strategies	
ICEP Institut zur Cooperation bei Entwicklungsprojekten www.icep.at	Partner of „Strenghtening a Culture of Corporate Social Responsibility in European Universities“ as an EU-project (B7-6000) with partners in Italy and Portugal	
Sustainable Europe Research Institute www.seri.at	Pan-European think tank aiming to explore sustainable development options for European societies	
Südwind Agentur www.suedwind-agentur.at	Agency for development cooperations; Südwind Magazine and other own media	
The World of NGO's www.ngo.at	Centre for information and networking between NGO's in Austria and Europe	
TRIGOS Die Auszeichnung für Unternehmen mit Verantwortung www.trigos.at	Award for CSR (first awards show in May 2004) Partners: Federation of Austrian Industry; Austrian Red Cross; Caritas; Austrian Chamber of Commerce; SOS Kinderdorf; WWF; Humans.World	
WIN - Wirtschaftsinitiative Nachhaltigkeit www.oeko.steiermark.at	Regional organisation by the Styrian Business Promotion Agency, the Styrian Chamber of Commerce and the Styrian Provincial Government. Main activities of WIN are a online platform, a Business School for Sustainability, eLearning and local events (i.e. on CSR)	



8.4. Main CSR Events during 2003

DATE	TITLE	ORGANIZER
January 20	Corporate governance Evening meeting	CSR-Austria in cooperation with Share Forum
March 3	CSR and sustainability Evening meeting	CSR-Austria in cooperation with the Austrian Business Council for Sustainable Development
March 14	Economical success with responsibility in the society Press conference	CSR-Austria
July 8	Presentation of the study "CSR Austria" Press Conference	CSR-Austria
August 25	Trick or Trend CSR-Talk	CSR-Austria in cooperation with ATTAC, Investkredit AG and DIE ZEIT
September 30	CSR-Conference in context with the stakeholder dialogue	CSR-Austria
November 14	Presentation of the initiative CSR Austria at the CSR-Conference of the EU in Venice	CSR-Austria
December 3	Guiding vision "Economic Success – Responsible Action" Evening meeting	CSR-Austria

8.5. Press coverage of CSR during 2003

Two of altogether five releases by the Austrian Press Agency written in 2003 about "Corporate Social Responsibility" deal with the subject in general, the other three articles bring up CSR in context with different main aspects. The term "Corporate Citizen" was not used at all by the Austrian Press Agency.

The term "Corporate Governance" is used in around 80 releases in the context of news in finance and economics by the Austrian Press Agency in 2003.

Considering the term CSR this situation turns around looking at the newspapers coverage in total. From the beginning of 2003 till March 20 in 2004 Austrian newspapers have published altogether 41 articles about CSR, allocated on the most important newspapers such as: Wirtschaftsblatt (8), Standard (7), Die Presse (6), Wiener Zeitung (6), Kurier (5), Kleine Zeitung (3), Salzburger Nachrichten (3), Vorarlberger Nachrichten (1), Dolomiten (1), Kronenzeitung (1).

Austrian magazines have not yet fully adapted the field of CSR, except to Profil with a CSR special in October 2003 and the weekly newspaper Furche with articles on CSR and relevant interviews. Besides to the commercial media CSR is more and more becoming a story for alternative media such as Südwind Magazin (special in April 2004), CorporAID and others.

Most of the coverage deals with CSR in a well-balanced, informative and expatiated way, talking about companies and NGOs, concrete measures and projects on CSR as well as business benefits. Much coverage is generated by the initiative CSR-Austria, its foundation, events and programs i.e. the first award on CSR in Austria.

An improvement about CSR should be made with the newspaper Kronenzeitung, where only one short story about CSR has been published since the beginning of 2003. This newspaper however is read by more than 40 % of the Austrian population. It can also be expected that the upcoming public relations work on CSR in Austria will help generating more coverage in newspapers as well as magazines.

CHAPTER 9. OPPORTUNITIES AND OBSTACLES FOR CSR

9.2. Main Reasons and Motivations for Companies to be Active in CSR

As written in 1.3.1 reasons for supporting non profit organisations are in three of four cases the ethical and moral convincement of management (concerning the owners in 38 %), while one quarter believes in a positive impact for their business success and 23 % are motivated for corporate citizenship due to their co-workers. Public pressure leads to engagements in 6 % and defaults of the parent company in 3 %.

To differentiate on the basis of companies' size, small enterprises consider the positive impact on their business due to CSR only in 12 % - a number that is doubled considering middle-sized and large companies.

9.3. Identified Business Benefits

Although CSR involvement offers a remarkable potential for strengthen a company's image and its positioning / unique selling proposition in the markets as well as long-term relationships with important stakeholders offer business opportunities for the future, companies in Austria are still not familiar enough with the business benefits of CSR.

9.4. Existing Barriers to CSR Involvement

As written in 1.3.1 – according to the CSR Austria Study in 2002 - reasons for not improving their engagement in corporate citizenship are the missing financial resources (68 %), too less or too unclear use of the engagements in relation to its expenditures (53 %) and missing time resources (46 %).

As the Austrian fiscal still does not accept in its exemptions donations for social projects, arts and cultural affairs (others than science and research), disabled people, development cooperation, humanitarian help, environmental and animal protection etc, a broad potential for strengthen CSR involvement lies idle.

As this report shows, important indicators and mechanisms to measure and control the sustainability of CSR activities and therefore strengthen the credibility and professionalism on CSR are still missing in Austria (but they are in work at the moment).

Other aspects noticed in personal discussions in Austria deal with the terms "Corporate Social Responsibility" and "Corporate Citizen" which are in a German speaking country still very unusual to many business people especially in small and middle-sized enterprises. Sometimes this discussion sounds to SME like it was only a new marketing strategy for large companies. Marketing and public relations management, familiar with this terminology, is furthermore only found in the larger companies, while most PR agencies with know-how on CSR only work for this segment of economy. The term CSR is in addition not really suitable for journalists that work in the need of finding a simple and understandable language for their readers.

As this report shows, for many companies, especially in the field of SME, the benefits of CSR mostly are not clear enough. SME furthermore are not used to communicate their engagements to the public in a way large companies can do, often because of missing budgets and stuff for public relations work or missing platforms for events. Especially small enterprises often do not even have an own website (nether they could use own print media) to communicate their engagements. At public events in Austria, discussions, congresses and also in the media, it is mostly spoken with and about larger companies engaged in CSR, missing the perspectives for SME.

As long as qualification programs and therefore qualified personnel for strategies in CSR are missing, many companies in Austria just wait how CSR is developing in its own instead of being an active Corporate Citizen themselves.

CSR in Austria is also just in the beginning concerning its awareness and discussions in the political landscape and in the various fields of opinion leaders as well as coverage in the media. There are still prejudices on both sides of partnerships – on the one hand NPOs and on the other hand the companies – regarding a different economical thinking and professionalism of working so that a special qualification on CSR with a focus on finding out the needs of both sides of a partnership as well as qualified mediators could help to overcome obstacles of a common mission.

The recently difficult economic situation in Austria where the question is more about how to keep the jobs for a company's staff – which is in turn a sustainable question on CSR itself – can at the moment also be seen a serious barrier to a wider CSR involvement in the companies' external stakeholder fields.



NATIONAL CSR KPI's (KEY PERFORMANCE INDICATORS) 2003

KPI- KEY PERFORMANCE INDICATORS		AUSTRIA
1	ISO 14001 Certifications ¹³	500
2	EMAS Registrations ¹⁴	500
3	OSHAS 18001 Certifications	
4	SA 8000 Certifications	
5	CSR reports published ¹⁵	
6	Case studies listed in Smekey CSR Europe site ¹⁶	
7	Social labels / Fair trade labels	
8	Fair trade commerce volume; # stores	> 6.5 m EUR 68 stores
9	European Eco-label products	
10	Local Organizations dedicated to CSR; # member companies	2
11	Relevant CSR events; # people involved	8 in 2003; several events come over in 2004
12	Relevant community involvement initiatives	
13	Univ. Doctorates, Masters and Post-Graduations	
14	Overall research on CSR	1
15	Media coverage of CSR	Around 50 print articles
16	CSR Awards	1 (starting in 2004)
17	Consultancy companies offering services on CSR	
18	% of permanent contracts	
19	% of women in total workforce	46.75 %

¹³ Source: www.ecology.or.jp/isoworld/english/analy14k.htm.

¹⁴ Source: www.ecology.or.jp/isoworld/english/analy14k.htm.

¹⁵ Source: www.corporateregister.com.

¹⁶ Source: www.smekey.org/reports/default.asp.

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Austrian Business Council for Sustainable Development: www.abcsd.at
Austrian Code for Corporate Governance: www.corporate-governance.at
Austrian Chamber of Commerce: www.wko.at
Austrian Foreign Ministry: www.bmaa.gv.at
Austrian Government Agency Help: www.help.gv.at
Austrian Institute for SME Research: www.kmuforschung.ac.at
Austrian Press Agency
Arbeitsgemeinschaft für Entwicklungszusammenarbeit: www.oneworld.at
Care: www.care.at
Coordination Point of the Austrian Bishop Conference for international Development and Mission: www.koo.at
CSR Austria: www.csr-austria.at
Der Konsument: www.konsument.at
e-Europe Awards: www.e-europeawards.org
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Federal Ministry of Finance: www.bmf.gv.at
Federal Ministry for Health and Women: www.bmgf.gv.at
Federation of Austrian Industry: www.iv-net.at
Financial Market Authority: www.fma.gv.at
GfK Group: www.gfka.at
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NachhaltigkeitsTATENbank: <http://e-taten.municipia.at>
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Österreichisches Gallup Institut: www.gallup.at
Organisation for Economic Co-operation and Development: www.oecd.at
Statistik Austria: www.statistik.at
Trigos Award: www.trigos.at

Inhalt

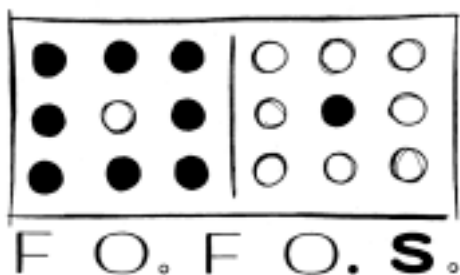
In dieser Broschüre wurden folgende drei Studienteile zusammengefasst.
This brochure contains the following parts of reports.

State of the Art Report on Corporate Social Responsibility (CSR)
in Austria
(englisch)

Bestandsaufnahme CSR in verschiedenen europäischen Ländern
(Zusammenfassung auf deutsch)

State of the Art Report – Highlights Report
(englisch)

unterstützt durch



CSR-Consultants

des FV Unternehmensberatung/IT der WKO

www.csr-consultants.at



Dieses Projekt wurde mit Unterstützung der Europäischen Kommission finanziert. Die Verantwortung für den Inhalt dieser Veröffentlichung trägt allein der Verfasser; die Kommission haftet nicht für die weitere Verwendung der darin enthaltenen Angaben.



Bestandsaufnahme CSR

Zusammenfassung

Österreich

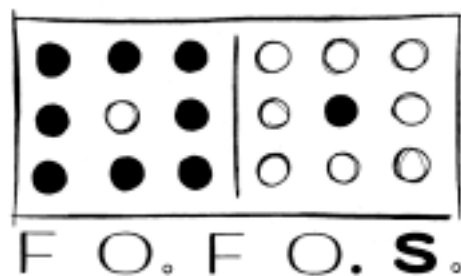
Estland

Italien

Niederlande

Portugal

Ungarn



Erläuterung

Der vorliegende Bericht ist eine kurze Zusammenfassung von ausführlichen Bestandsaufnahmen über die Lage der gesellschaftlichen Verantwortung von Unternehmen (Corporate Social Responsibility/CSR) in den sechs europäischen Partnerländern des Projekts „CSR/KMU – Förderung der sozialen Verantwortung in kleinen und mittleren Unternehmen“.

Hauptziel dieses von der Europäischen Kommission unterstützten Projekts ist es, die Debatte über die soziale Verantwortung von kleinen und mittleren Unternehmen zu stärken und ein Trainingsprogramm für CSR-Praktiken zu entwickeln.

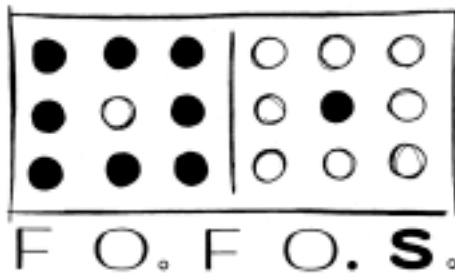
Der gesamte Bericht „State of the Art on CSR in Different European Countries“ erscheint auf Englisch und kann kostenlos bei der unten genannten Kontaktadresse angefordert werden. Der Bericht ist nicht als eigenständige Studie konzipiert, sondern basiert auf den in den Partnerländern erhältlichen Untersuchungen sowie auf internationalen Quellen.

Weitere Informationen zum Projekt sind auch im Internet unter www.fofos.at abrufbar.

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unterstützt durch



CSR-Consultants
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CSR in Österreich

Zusammenfassung



Österreich steht auf Platz 9 im "National Corporate Responsibility Index 2003". Der Index untersucht 51 Nationen auf das gesellschaftliche Engagement ihrer Wirtschaft und wird jährlich von der britischen Organisation "AccountAbility" veröffentlicht.

In Österreich initiierten die Diskussionen über Corporate Social Responsibility (CSR) seitens des Wirtschaftsministeriums und der Industriellenvereinigung das Programm CSR Austria mit der Wirtschaftskammer als drittem Partner. In Stakeholder-Dialogen trafen Repräsentanten der Wirtschaft und Politik mit Sozialpartnern, Nichtregierungs- und internationalen Organisationen zusammen und erarbeiteten so das Fundament für den CSR-Leitfaden der österreichischen Wirtschaft: „Erfolgreich Wirtschaften. Verantwortungsvoll handeln.“ (veröffentlicht und präsentiert im Dezember 2003).

Für diesen Entwicklungsprozess hat CSR Austria zahlreiche Workshops, Runde Tische und öffentlichkeitswirksame Veranstaltungen organisiert und über CSR informiert und diskutiert – begleitet durch effektive Medienarbeit. Der Austrian Business Council for Sustainable Development und das Österreichische Institut für Nachhaltigkeit haben die Austrian Business Academy for Sustainable Development gegründet, die jüngst ihre Lehrtätigkeit aufgenommen hat.

Wie eine Studie von CSR Austria im vergangenen Jahr zeigt, basiert ein Drittel der befragten Unternehmen in Österreich auf einem Wertesystem, das ihrem spezifischen Profil entspricht. In den meisten Fällen wird es als Unternehmensvision oder Missionstatement dokumentiert. Allerdings veröffentlichen lediglich ein paar der größten Unternehmen Umwelt- und Sozialberichte.

Über den Österreichischen Corporate Governance Kodex, der im Oktober 2002 etabliert wurde, sind laut CSR Austria Studie 59 % der befragten Unternehmen im Bild. Zum Zeitpunkt der Studienveröffentlichung (Juli 2003) hatten 16 % der befragten Unternehmen den Kodex unterzeichnet. Hindernisse für den Kodex sind zu jeweils 43 % ein nicht erkennbarer unternehmerischer Nutzen sowie bürokratischer Aufwand. Keine Nachfrage seitens Kunden, Banken oder Investoren sehen 36 % als Barriere. Der gleiche Prozentsatz erkennt in dem Kodex zu wenig Orientierung an den Bedürfnissen der kleinen und mittleren Unternehmen.

Die CSR Austria Studie zeigt, dass 97 % der österreichischen Unternehmen im Bereich Corporate Citizenship bereits in irgendeiner Weise engagiert sind. Kleine Unternehmen engagierten sich 2002 für die Gesellschaft zu jeweils einem Drittel mit 2.500 Euro jährlich, das zweite Drittel zwischen 2.500 und 5.000 Euro und der Rest mit über 5.000 Euro. Ein Drittel der mittelständischen Unternehmen investierte bis zu 7.000 Euro in gesellschaftliches Engagement, gefolgt vom zweiten Drittel mit bis zu 15.000 Euro und schließlich einem letzten Drittel mit mehr als 15.000 Euro im Jahr 2002. Geldspenden sind im Bereich Corporate Citizenship die gängigste Variante und gehören bei 93 % der österreichischen Unternehmen zum Selbstverständnis. Sachleistungen für gesellschaftliche Anliegen werden von 85 % der befragten Firmen erbracht, gefolgt von Sponsoring-Verträgen mit Non Profit Organisationen bei 68 %. Weitere 58 % gaben an, Unterstützung im Bereich Corporate Volunteering (betrieblich gefördertes ehrenamtliches Engagement von Mitarbeitern) zu leisten.

Kleinbetriebe sehen einen positiven Einfluss von CSR-Aktivitäten nur in 12 % der befragten Fälle – eine Zahl, die sich bei Mittel- und Großbetrieben verdoppelt. Gründe dafür, das gesellschaftliche Engagement nicht zu erhöhen, benennen 68 % der befragten Unternehmen mit fehlenden Ressourcen, gefolgt von mehr als der Hälfte der Befragten, die den Nutzen im Vergleich zum Aufwand nur unklar erkennen. Weiteren 46 % fehlt schlichtweg die Zeit für CSR-Maßnahmen.

In Österreich basieren wichtige Industriezweige auf der Natur, wie der Tourismus und die Forstwirtschaft. Im vergangenen Jahr waren 315 Unternehmen im Bereich der Umwelttechnologie tätig und erwirtschafteten damit einen Jahresumsatz von 2,5

Milliarden Euro. Industrien wie Biotechnologie, Energiespar- und Solartechnologie sicherten 16.000 Arbeitsplätze, der Sektor Umweltdienstleistungen dazu genommen insgesamt 85.000 Stellen. Die Exportquote in diesen Bereichen liegt bei 60 %, was hohe Qualität und Wettbewerbsfähigkeit der heimischen Produktion verdeutlicht.

Im Bereich des fairen Handels waren im vergangenen Jahr 68 Weltläden in Österreich registriert, von denen 62 dem Österreichischen Verband der Weltläden angehören. Zusätzlich sind Fair Trade Labels in über 1.500 Supermärkten erhältlich.

Entgegen der Tatsache, dass Österreichs Verbraucher Weltspitze in Sachen Mülltrennung sind, weist der OECD-Bericht für 2003 konstant steigende Werte im privaten Verbrauch auf. Zwar nennt die OECD Verbesserungen in den Sektoren Industrie und Energieversorgung, der Verkehr bleibt jedoch konstant auf einem hohen Niveau. Auch das Kyoto-Protokoll hinkt in seiner Umsetzung nach. Allerdings listet der Environmental Sustainability Index (ESI) Österreich im Jahr 2001 unter 122 Ländern auf Rang 8 in Sachen Umweltschutz und innerhalb Europas an der fünften Stelle.

Investitionen in ethische Fonds beliefen sich im Jahr 2002 auf 1,4 Milliarden Euro, was 0,4 % des österreichischen Fondsvolumens entspricht. Ethische Fonds weisen zwar keine lange Tradition in Österreich auf, in Fachkreisen wird ihnen jedoch noch reger Zuwachs vorausgesagt. Nach Angaben des Wirtschaftsblatts gab es bis Herbst 2003 in Österreich 46 Fonds, die sich ethisch, ökologisch oder nachhaltig orientieren.

Eine Studie des Österreichischen Gallup Institutes aus dem Jahr 2002 zeigt bei 34 % der Anleger und 58 % der Investoren, die sich an Umweltfragen orientieren, das Interesse an einem Index für sozial und ökologisch nachhaltig wirtschaftende Unternehmen. Mehr als ein Drittel der Investoren ohne Aktien in österreichischen Unternehmen sind gewillt, in solche Firmen zu investieren, sobald ihre soziale Verantwortung unter Beweis steht. Indikatoren zur Messung von CSR werden im laufenden Dialog zwischen der Wiener Börse und der Wirtschaftsuniversität Wien auf einer offenen Web-Plattform geführt. Nach Angaben der Österreichischen Vereinigung für Finanzanalyse und Asset Management würden bereits 2003 gut ein Dutzend der 40 Unternehmen im Prime Market der Wiener Börse die Kriterien für einen CSR-Index voll und ganz erfüllen.

Laut der Studie von CSR Austria begründet sich die Unterstützung von gemeinnützigen Organisationen durch Wirtschaftsunternehmen in drei von vier Fällen auf ethischer und moralischer Überzeugung. Ein Viertel der Befragten spricht dem Engagement einen positiven Einfluss auf den eigenen Geschäftserfolg zu. Weitere 23 % der Unternehmen fühlen sich gegenüber ihren Mitarbeitern zu Corporate Citizenship motiviert. Druck der Öffentlichkeit führt in 6 % zu Engagements, Vorgaben seitens der Muttergesellschaft in 3 %.

Lediglich 14 % der befragten Unternehmen planen ihre Corporate Citizenship Aktivitäten strategisch. Mehr als die Hälfte entsprechender Entscheidungen werden unternehmenspolitisch getroffen, jedoch ohne strategische Analyse. Dass ihr Engagement für Corporate Citizenship ohne strategische Beziehung zu ihrem Geschäft steht, geben 32 % der Unternehmen an. Diese Punkte zeigen die Notwendigkeit, die Win-Win-Strategie unternehmerischen Engagements stärker in den Vordergrund zu stellen.

CSR in Estland

Zusammenfassung



Estland, eines der kleinsten Länder Europas, verzeichnet seit 1995 ein relativ rasches Wirtschaftswachstum. Gleichzeitig entwickeln sich Zivilgesellschaft und Dritter Sektor. Die Öffentlichkeit und der Dritte Sektor bringen soziale Forderungen in Debatten ein, die auf unterschiedlichen sektoralen Ebenen ausgetragen werden. Obschon viele erwartete Übereinkünfte noch nicht erfüllt sind, erlaubt die laufende Auseinandersetzung eine positive Prognose für die avisierten Ergebnisse.

Corporate Social Responsibility (CSR) hat sein mögliches Ausmaß als Diskussionsthema noch nicht ausgeschöpft. Für eine Annäherung an CSR stehen heute einige erste Zeichen – rund drei bis vier Berichte jährlich wurden dem Thema bislang durch Tageszeitungen gewidmet. Zusätzlich rund zwei Konferenzen pro Jahr, die CSR-nahe Zusammenhänge behandeln. Auch die Forschungstätigkeiten nehmen in diesem Bereich zu. Das Verständnis über CSR ist in Estland noch ein sehr neues und der Zeitpunkt noch nicht erreicht, an dem das Thema in entsprechende Geschäftspraktiken eingegliedert ist und in die akademische Ausbildung und breite Öffentlichkeit eingeführt. Der EU-Beitritt des Landes nimmt einen weiteren positiven Einfluss auf die Förderung von CSR in Estland ein.

Während der Sowjetzeit kümmerten sich große Betriebe und Kollektive auch in Estland oft um ihr soziales Umfeld und die Arbeiter. Heute sieht man die Wirtschaft in enger Verbindung mit der Entwicklung der Gesellschaft als Ganzer. Eine bereits übliche Geschäftspraxis besteht darin, Geld und Sachleistungen für Sport, Kultur und das Gesundheitswesen bereit zu stellen. Das geschieht oft ungeachtet des strategischen Managements der Unternehmen und ist damit eher informellen Charakters.

In den letzten Jahren entwickelten sich CSR-Verständnis und zugrunde gelegte Standards in den Unternehmen durch breit gefächerte Investitionen, hauptsächlich aus Skandinavien. Schnell wachsende Wirtschaftsbereiche wie Telekommunikation und das Bankwesen sind weitgehend im skandinavischen Besitz und skandinavischer Lebensstandard und Kultur in weiterer Ausbreitung begriffen.

Knapp 80 % der Unternehmen in Estland sind dem Klein- und Mikrosektor zuzuschreiben. Sie verfügen über entsprechend geringe Ressourcen. Die Mehrheit dieser Firmen hat keine langfristige Strategie oder Vision und Werte schriftlich festgelegt. Sofern Unternehmen über solche Statements verfügen, setzen sie Shareholders, eng gefolgt von Kunden und Mitarbeitern an die wichtigste Stelle.

Eine qualitative Studie über die führenden Unternehmen Estlands aus dem Jahr 2003 zeigt zwei Lager in Bezug auf CSR: das pro-aktive und reaktive Vorgehen. Die Mehrheit der befragten Unternehmen steht allerdings auf der Aktivseite. Sie sucht Beziehungen und breitere Verbindungen als nur mit Shareholdern und Kunden, sondern ebenso nach wichtigen Beziehungen mit anderen Unternehmen aus der Industrie und dem Dienstleistungsbereich.

Diese Studie zeigt auch die schwache Verknüpfung zwischen CSR und dem eigenen Kerngeschäft oder den Ressourcen der Unternehmen. Kunden, Shareholder und Mitarbeiter werden als die wichtigsten Stakeholder betrachtet, weshalb die meisten CSR-Aktivitäten auf diese Gruppe ausgerichtet sind.

Umweltberichterstattung und Öko-Labels, Cause-related Marketing-Kampagnen und steigende Investitionen in die Personalentwicklung, wenn auch erst jüngst verkündet, sind sichtbare Zeichen für eine positive CSR-Entwicklung. Gleichzeitig fehlt es noch an der Breite von Diskussionen zum Thema. Auch seitens der Unternehmen ist bislang noch nirgends ein spezieller CSR-Bericht erhältlich.

Ethische Fonds und Sozial-Indizes sind in Estland noch nicht eingeführt.

Auf dem derzeitigen Stand in Sachen CSR kann am ehesten über den sich entwickelnden Umweltschutz berichtet werden. Seit Beginn der 90-er Jahre wurde eine Reihe von

Umweltschutzorganisationen gegründet. Einige führende Unternehmen veröffentlichen bereits Umweltberichte. Dieser Trend setzt sich fort. Momentan sind über 80 Unternehmen mit dem ISO 14 001 Standard zertifiziert, fast 10 mit einem OSHAS 18 001 Zertifikat, wobei SA 8000 und EMAS Zertifikate noch nicht in Estland erhältlich sind. Von staatlicher Seite gibt es bislang keine finanzielle Unterstützung für den Zertifizierungsprozess in Sachen Umwelt und Soziales.

Bislang gibt es in Estland noch keine Organisation, deren Hauptaktivität direkt auf die Entwicklung von CSR-Praktiken, Know-how oder CSR-Verständnis ausgerichtet ist. Bei den Organisationen im privaten Sektor steht CSR noch nicht auf der Agenda. Verschiedene Nichtregierungsorganisationen haben aber die Rolle übernommen, unterschiedliche Sektoren im Sinne des Gemeinwohls zueinander zu bringen und initiieren CSR-bezogene Aktivitäten.

Im akademischen Bereich ist CSR relativ gering repräsentiert, fehlt in den Studienprogrammen der Universitäten allerdings nicht gänzlich.

Auszeichnungen und Preise, die sich speziell auf CSR beziehen, gibt es bislang in Estland keine. Allerdings sind von verschiedenen Organisationen bereits Preise initiiert worden, die auf CSR-bezogene Themen im engeren Sinn aufmerksam machen sollen, wie „Das umweltfreundlichste/familienfreundlichste Unternehmen“ oder beispielsweise vorbildliches Verhalten im Recycling.

Im Frühjahr 2004 wurde eine Studie unter kleinen und mittelständischen Unternehmen durchgeführt, aus der geschlossen werden kann, dass die wesentlichen Gründe für CSR-Aktivitäten in der Mitarbeitermotivation und deren Produktivität sowie verbessertem Image und engeren Beziehungen mit Kunden liegen. Zudem spielt die Möglichkeit eine Rolle, die Entwicklung des unmittelbaren Umfelds des Unternehmens mit in eine Richtung zu lenken, die positive Effekte zurückstrahlt.

Weniger als die Hälfte der befragten Klein- und Mittelbetriebe sehen eine Verbindung zwischen CSR und ihren wirtschaftlichen Zielen. Als wesentliches Hindernis für gesellschaftliches Engagement gilt knappes Geld und fehlende Zeit. Dazu kommen mangelnde Personalressourcen und ein unterentwickeltes Verständnis für CSR.

Für die Zukunft von CSR in Estland kann mit einem zunehmenden Wissen innerhalb der Unternehmen gerechnet werden, was den Weg für integrierte Managementansätze der Unternehmensrolle in der Gesellschaft ebnen könnte. Zudem lässt die wachsende Beachtung des Themas durch die Öffentlichkeit einen weiteren Aufschwung erhoffen in dem Prozess, der auch zunehmend von der Europäischen Union gefördert wird.

CSR in Italien

Zusammenfassung



Einer Studie der Italienischen Handelskammern (Unioncamere) zufolge hat die Unternehmensgröße starken Einfluss auf die Einstellung gegenüber Corporate Social Responsibility (CSR). Diese Verbindung geht vor allem auf folgende Faktoren zurück:

Kenntnisse über CSR-Themen und Instrumente (z. B. Grünbuch der EU, Verhaltenskodizes, Zertifikationen etc.) fehlen bei 55 % der Unternehmen mit weniger als 20 Mitarbeitern, bei 32 % der mittelständischen und 15 % der großen Unternehmen.

Investitionen in das Gemeinwesen wie Spenden und Sponsorships nehmen mit steigender Unternehmensgröße zu. Cause-related Marketing beispielsweise existiert bei kleinen Unternehmen fast gar nicht.

Große Unternehmen fordern von Zulieferern doppelt so häufig Qualitätszertifikate, als dies bei kleineren Unternehmen der Fall ist. Auch die prozentuale Reduktion des Energieverbrauchs steigt exponentiell mit der Unternehmensgröße.

Mehrere Zusammenhänge erklären das begrenzte Bekenntnis zu CSR seitens kleiner und Mikrobetriebe:

Engagements zugunsten von Mitarbeitern und der Gemeinschaft werden meistens von den Personen ausgetragen, die die unmittelbare geschäftliche Verantwortung tragen. Eine objektive Beobachtung ist damit nicht möglich.

Kleine und Kleinstbetriebe sind durch einen geringen Grad an Formalisierungen gekennzeichnet.

Finanzielle Ressourcen, die für CSR aufgebracht werden könnten, sind begrenzt, was die Reichweite bemerkbarer Aktivitäten einschränkt.

Strategien zur Verbesserung des Images spielen eine geringere Rolle.

Ein recht hohes Maß an Zufriedenheit mit ihren CSR-bezogenen Praktiken zeigt sich in der Tatsache, dass die meisten Unternehmen, die mit CSR-Aktivitäten begonnen haben, dieses Engagement auch in Zukunft weiter führen wollen.

In den vergangenen fünf Jahren steigt die Forderung nach Statements und Zertifikaten seitens der Kunden kontinuierlich und bemerkenswert an, vor allem was die Liefererkette betrifft, beispielsweise in punkto Kinderarbeit.

Italienische Unternehmen nehmen grundsätzlich eine positive Haltung gegenüber CSR ein. Unternehmen, die sich gesellschaftlich verantwortlich betätigen, tun das mit verschiedenen Maßnahmen: spezielle Programme für soziale Themen, Sponsoring, Schenkungen und Verhaltenskodizes. Für viele Unternehmen steht CSR allerdings nicht im Zusammenhang mit ihrer Geschäftsstrategie.

CSR in den Niederlanden

Zusammenfassung

Die Niederlande sind an sechster Stelle des "National Corporate Responsibility Index 2003" gelistet, unter 51 untersuchten Ländern.

Das Wirtschaftsministerium hat 300 unterschiedlich große Unternehmen in einer Studie im Jahr 2001 und 2003 nach ihren CSR-Praktiken befragt. Im Verlauf der beiden Jahre hat sich das Bewusstsein für CSR in den Firmen von 51 auf 72 % gesteigert. Einer der Hauptbereiche gesellschaftlichen Engagements liegt im Sponsoring, wo sich mehr als die Hälfte der holländischen Unternehmen betätigt.

Gesellschaftliche Verantwortung wird von den Unternehmen als fester Bestandteil ihrer Vision, Werte und Mission verstanden. Das zeigt sich häufig in Jahresberichten, wobei von zahlreichen Unternehmen bereits auch Nachhaltigkeits- und CSR-Berichte veröffentlicht werden.

Die Grundsätze gesellschaftlicher Unternehmensverantwortung beziehen sich in den meisten Fällen auf die Empfehlungen des Sozial- und Wirtschaftsrates (SER), die 2003 nach umfassenden Untersuchungen gegeben wurden. CSR soll „von unten nach oben“ getragen werden und schreibt der Wirtschaft damit eine elementare Verantwortlichkeit zu. Das Rahmenwerk der CSR sollte nach diesen Empfehlungen auf der Basis des Dialogs zwischen Unternehmen, Nichtregierungs- und sozialen Organisationen sowie Bürgern der Niederlande entwickelt werden.

Es kann erwartet werden, dass CSR künftig weiter an Bedeutung gewinnt. So unterstützt und fördert das Wirtschaftsministerium zunehmende Transparenz der Unternehmen in Sachen gesellschaftliche Verantwortung.

Zudem gibt es eine Reihe von Auszeichnungen, die in den Niederlanden für CSR verliehen werden. Im Januar 2003 haben die Nationale Initiative für Nachhaltige Entwicklung (NIDO) und das Wirtschaftsministerium ein wissenschaftliches Forschungsprogramm für CSR gestartet, das sich zum Ziel setzt, Unternehmen in der Auswertung ihrer CSR-Strategie zu unterstützen und für Gesellschaft und Regierungsbehörden das erwartete Ausmaß an CSR festzustellen. Im vergangenen Jahr haben sich neun größere Studien dem Thema gewidmet. CSR erfährt eine hohe Medienbeachtung und Bedeutung für Konferenzen und Veranstaltungen.

Vergangenes Jahr hat das Komitee für Corporate Governance den Niederländischen Corporate Governance Kodex veröffentlicht. Dieser Kodex ist ein Schritt vorwärts in die Wiederherstellung des öffentlichen Vertrauens in Ehrlichkeit, Integrität und Transparenz des Managements und der Geschäftstätigkeit niederländischer Aktiengesellschaften. Der Startpunkt für den Kodex wurde bereits 1996 mit der Veröffentlichung von 40 Empfehlungen für Corporate Governance gesetzt.

Laut dem Internationalen Korruptionsindex von 2003 sind die Niederlande eines der „saubersten“ Länder der Welt und auf Rang 7 gelistet.

Zwei große Labels führen den Markt des fairen Handels an, ein drittes Label wird derzeit entwickelt. Von 39 verschiedenen Öko-Produkten werden allerdings nur 3 in den Niederlanden selbst produziert.

Im Oktober 2003 ging der erste niederländische Sozial-Index auf den Markt (Kempen SNS Smaller Europe SRI Index). Dieser Index bewertet nach der Performance kleinerer europäischer Unternehmen, die gemäß den Kriterien der Nachhaltigkeit wirtschaften.

Seit Januar 2002 wurde "grünes" und sozial-ethisches Investment durch die Steuerbehörden begünstigt.

Die Hauptgründe für das gesellschaftliche Engagement von Unternehmen liegen mit mehr als 60 % in der Überzeugung sozialer Verpflichtung. Hindernisse bestehen vor allem bei der Unternehmensgröße von unter zehn Mitarbeitern.

CSR in Portugal

Zusammenfassung



Portugal ist auf Platz 21 im "National Corporate Responsibility Index 2003" gelistet. Unmittelbar vor Japan und den USA ist Portugal mit Ausnahme von Griechenland das Schlusslicht der alten Länder der Europäischen Union.

Als "Lissabon-Strategie" hatte der Europäische Rat im März 2000 seine Ziele zur wirtschaftlichen, sozialen und ökologischen Erneuerung der Union vorgestellt. Seither widmen sich neue Organisationen in Portugal dem Thema Corporate Social Responsibility (CSR), welches einen signifikanten Boom erfährt. CSR zeichnet sich als eigenständige Managementdisziplin ab und bleibt von untergeordneter Bedeutung bei den meisten Managern und Inhabern.

Soziale und ökologische Berichterstattung existiert in Portugal kaum. Die Auswirkungen von CSR-Strategien und Programmen werden selten gemessen. Dem „Business Case“ der CSR fehlt es noch grundsätzlich an Akzeptanz.

Einige der Großbetriebe beginnen, CSR in ihre Geschäftsstrategien zu integrieren. Sie rechnen mit einer weitaus aktiveren Rolle in diesem Bereich und bekennen sich auf beiden Seiten – Soziales und Umwelt – zur Einhaltung der Rechtsvorschriften. In diesen Firmen liegt die Verantwortung für CSR meistens beim Topmanagement, der Personalleitung, im Marketing oder der Öffentlichkeitsarbeit.

Eine Studie von MORI im Auftrag von CSR Europe hat Mitte 2000 herausgestellt, dass das Konzept CSR portugiesischen Bürgern kaum vertraut ist. Allerdings sind 66 % der Befragten der Ansicht, dass Firmen auf diesen Bereich mehr Augenmerk legen sollten. 20 % würden anderen ein gesellschaftlich verantwortliches Unternehmen weiter empfehlen. 70 % geben an, dass das Bekenntnis zu gesellschaftlicher Verantwortung eines Unternehmens ihre Kaufentscheidung beeinflussen würde und ein Drittel würde für ein ökologisches und sozial verträgliches Produkt mehr bezahlen.

Der portugiesische Sozial- und Wirtschaftsrat hat 2003 einen CSR-Leitfaden veröffentlicht, der erstmals gesellschaftlich verantwortliche Unternehmen auflistet. Deren wichtigste Sozial- und Umweltprojekte erschienen als Titelgeschichte in einem der führenden Wirtschaftsmagazine des Landes. Die Initiative „CSR Europe“ organisierte im Mai 2003 eine Road Show in Portugal, veranstaltet vom neu gegründeten portugiesischen CSR Verband (RSE Portugal). Über das vergangene Jahr verteilt, haben rund 20 Veranstaltungen zum Thema CSR schätzungsweise zweieinhalbtausend Besucher mobilisiert. Zudem traten die ersten Untersuchungen auf lokaler Ebene ans Licht.

„Novadelta“ bekam als erstes portugiesisches Unternehmen das Zertifikat für den Standard SA 8000 und wird in der Kaffeeindustrie als internationaler Maßstab gehandelt.

„Cause-related Marketing“ ist noch immer nicht signifikant, aber im relativ schnellen Wachsen.

Im Bereich der Öko-Labels werden nur sehr wenige Produkte angeboten, soziale Labels überhaupt nicht.

Bis auf wenige Ausnahmen wird sozial verantwortliches Verhalten nicht mit Wirtschaft in Verbindung gesetzt. Viele portugiesische Unternehmen, gerade die kleineren, sind in der Umsetzung gesetzlich vorgeschriebener Maßnahmen angreifbar: von Steuerhinterziehung bis zur lückenhaften Beachtung der Arbeits- und Umweltgesetze oder sozialer Sicherheit. Einige arbeiten ohne Betriebsgenehmigung. Die Quote an Schwarzarbeit ist bezeichnend und besonders hoch im Bausektor. Im Jahr 2003 lag Portugal im Korruptionsindex von „Transparency International“ auf Platz 25, oberhalb von Italien, Griechenland und sämtlichen neuen EU-Mitgliedsländern.

Schlusslicht ist Portugal unter den Ländern der alten Union in wichtigen Bereichen wie Pro-Kopf-Einkommen, Produktivität, Bildungsstand, Lebenslanges Lernen und tödliche

Arbeitsunfälle. In Bereichen wie Bildung kommt das Land sogar hinter allen neuen EU-Partnern. Diese Besonderheiten in Betracht gezogen, kommt den nach innen gerichteten Dimensionen der CSR mehr Bedeutung zu als in anderen EU-Ländern.

Die wirtschaftliche Gesetzgebung ist in Portugal durchaus abfordernd, aber die Nichterfüllung signifikant. Obwohl das Land das Kyoto-Protokoll unterzeichnet hat, ist Portugal im EU-Vergleich weit entfernt von einer Vorbildrolle in Bereichen wie der Kontrolle über Treibhausgase, Wasserverschmutzung und Müllrecycling in Industrie und Städten. Ende 2003 waren 234 portugiesische Unternehmen nach ISO 14001 und 14 nach EMAS zertifiziert, ein bescheidenes Ergebnis im EU-Vergleich.

Abgesehen von den Standorten einiger multinationaler Unternehmen gibt es in Portugal nur wenige Firmen, die sich schriftlich zu Vision und Werten, Mission, Prinzipien oder Verhaltenskodex bekennen.

Ethische Fonds sind auf den lokalen Finanzmärkten noch nicht erhältlich und lediglich drei Unternehmen in internationalen Sozial-Indizes gelistet.

Zwei Drittel der Klein- und Mittelbetriebe in Portugal praktizieren CSR nach außen, die meisten auf einem informellen Weg, berichtet die Europäische Kommission (Observatory of European SMEs 2002/Nr. 4).

Kultur und Sport sind die Bereiche, die am häufigsten durch die Wirtschaft unterstützt werden, gefolgt von Gesundheit und Fürsorge. Die beliebteste Art von Mitwirkung sind Sach- und Geldspenden, in der Regel spontan und unregelmäßig. Unter den 15 alten Unionsländern hat Portugal das höchste Spendenaufkommen seitens der Unternehmen.

Corporate Volunteering-Praktiken sind so gut wie ausschließlich in Elite-Unternehmen vorzufinden. Derselben Studie zuzuschreiben sind die Hauptgründe für externe soziale Aktivitäten unternehmerische Ethik und die Verbesserung der Beziehungen mit lokalen Behörden und anderen öffentlichen Stellen, mit einer Nennung von 40 % die Höchststrategie in den alten EU-Ländern. Eine Verbesserung der Kundenloyalität folgt diesen Erwartungen, doch können 36 % der befragten Unternehmen ihren Nutzen nicht konkret identifizieren. Als Hindernisse, sich verstärkt gesellschaftlich zu engagieren, werden Unkenntnis zum Thema CSR genannt, gefolgt von fehlender Zeit und einem fehlenden Bezug zwischen Geschäftsalltag und Gemeinwesen. Besonders bei kleineren Firmen ist Mittelknappheit ausschlaggebend.

Zum Umweltschutz motivieren sich die Unternehmen vor allem über gesetzliche Vorschriften, Kosteneinsparungen, besseres Ansehen und Druck der Öffentlichkeit und Kunden. Bestehende Barrieren begründen sich in diesem Bereich in der Knappheit an Mitarbeitern und finanziellen Ressourcen, der Haltung und Kultur der Unternehmen und mangelndem Umweltbewusstsein.

Grundsätzlich erscheinen die Haltung der Unternehmen und ein mangelndes Problembewusstsein im Besonderen als Gemeinsamkeiten für die beiden CSR-Bereiche Gesellschaft und Umwelt, was besonders für Klein- und Mittelbetriebe zutrifft. Diese Punkte bekräftigen die Notwendigkeit, in Portugal mehr zum Thema zu informieren – und zielgerechter auf die generelle Öffentlichkeit und Klein- und Mittelbetriebe im Besonderen einzugehen.

CSR in Ungarn

Zusammenfassung



Seit dem Fall des Eisernen Vorhangs 1989 nähert sich Ungarn der freien Marktwirtschaft und damit auch vorher ungestellten Fragen über nachhaltiges Management. Lange Zeit über wurde den westeuropäischen Gegenspielern mit eigenen Erfahrungen in der Planwirtschaft gekontert und Gegenpole in Recht und Unternehmensführung aufrechterhalten.

Notgedrungen hatten die dringendsten ökonomischen Anforderungen oberste politische Priorität, bevor langfristige Umwelt- und Sozialfragen angegangen werden konnten. Corporate Social Responsibility als solche ist ein relativ neues Gebiet und nimmt einen der hinteren Plätze in einer andauernden bürokratischen Problemsituation ein, die die aufstrebende Demokratie des Landes herausfordert.

Hinter der heutigen Wirtschaft Ungarns liegen 15 Jahre ohne Federführung des kommunistischen Regimes. Zu Beginn dieser Umstellung wurde es den Bürgern ermöglicht, Geschäftstechniken zu erlernen und auch im Privatleben mehr Gestaltungsmöglichkeiten und Initiative wahrzunehmen – verbunden mit mehr sozialer Verantwortung.

Wirtschaftliche Nachhaltigkeit wurde seither zu einer andauernden Herausforderung für diese Bürger. Typischerweise fehlt den Geschäftstreibenden in Ungarn jedoch das Bewusstsein dafür, welche Rolle sie für gesellschaftliche Ziele spielen (könnten). Alleingelassen in Bezug auf effektives gesellschaftliches Engagement bei gleichzeitigem wirtschaftlichem Nutzen, stehen CSR-Initiativen in Ungarn vor dem ernsthaften Risiko, als naiv angesehen zu werden – gar als Feindbild unternehmerischen Erfolgs.

Unternehmen hegen in Ungarn traditionell mit Öffentlichkeit oder Gesetzgeber weder Informationsaustausch über das erforderliche Ausmaß hinaus, noch werden eigene Wege beschritten, um auf soziale oder ökologische Themen Einfluss auszuüben.

Im Bereich der Klein- und Mittelbetriebe gibt es in Ungarn keine Historie zu gesellschaftlicher Verantwortung auf beachtenswertem oder organisiertem Niveau.

Eine Studie des Ungarischen Environmental Economics Center (MAKK) hat im vergangenen Jahr 27 Unternehmen untersucht, die an der Budapester Börse gelistet sind. Grundsätzlich werden CSR und deren Perspektiven nicht anerkannt und auch bei weitem nicht in die tägliche Geschäftspraxis der Firmen eingebunden, die die eher international orientierte und vordenkerische Wirtschaft Ungarns ausmachen. Ein mangelndes CSR-Bewußtsein ist bei Klein- und Mittelbetrieben sogar noch ausgeprägter.

Ähnlich steht es um ethische Fonds, die in entwickelten Märkten stark zunehmen und in Ungarn ohne Einfluss bleiben. Der MAKK-Bericht nennt zwei wesentliche Gründe: Mangelnde Information über CSR in ungarischen Betrieben einerseits. Andererseits ein Misstrauen in die Stabilität der aufkommenden Wirtschaft in den neuen EU-Ländern gegenüber etablierten Fonds und Investoren.

Allerdings sind unter den 27 untersuchten Unternehmen vier, die in Richtung CSR-Standards große Fortschritte machen und über ihre eigenen Anstrengungen transparent gegenüber interessierten Kreisen an Stakeholdern, wie künftigen Investoren, Nichtregierungsorganisationen oder Medien auftreten.

Der EU-Beitritt von Ungarn sollte ausländischen Investmentfonds zudem die Stabilität der heimischen Wirtschaft verdeutlichen und das Vertrauen in die Ernsthaftigkeit vergrößern, mit der die politische Elite den Ideen der Marktwirtschaft folgt. Ungarn war eines der ersten ehemaligen sowjetischen Satellitenländer, die diese Ideen adaptiert und damit ein günstigeres Wirtschaftsklima geschaffen hatten.

Die erwähnte Studie zeigt folgende Trends:

- Für 70 % der Konsumenten sind CSR-Aktivitäten eines Unternehmens ein wichtiger Faktor bei der Kaufentscheidung
- 20 % der Konsumenten würden bei einer CSR-aktiven Firma mehr bezahlen
- 78 % der Arbeitnehmer würden es vorziehen, bei einem Unternehmen mit gesellschaftlicher Verantwortung zu arbeiten – auch für weniger Gehalt

Als beliebteste CSR-Aktivitäten wurden identifiziert:

- Zusätzliche Sozialleistungen für Arbeitnehmer (Training, Darlehen, Essensmarken, Internetzugang, Fremdsprachkurse)
- Unterstützung ehemaliger Arbeitnehmer
- Spenden für bestimmte Anlässe und Kirchen
- Unterstützung für Stiftungen, Kultur und Künstler
- Unterstützung für nicht gewinnorientierte Institutionen, die durch das Unternehmen etabliert werden
- Arbeitserlaubnis für Ausländer und Immigranten

Auf der Basis der heute erhältlichen Informationen über CSR in Ungarn und auf dem Weg der Kommunikation zwischen Unternehmen, Politik und Organisationen in Bereichen, die an CSR angrenzen, kann die Verbreitung und das Wachstum in diesem Bereich angenommen werden. Auch wenn die Ergebnisse bisweilen bescheiden ausfallen, besteht ein substanzielles Potential.

Inhalt

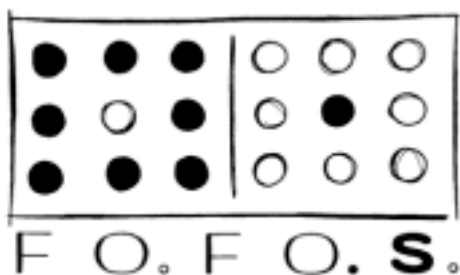
In dieser Broschüre wurden folgende drei Studienteile zusammengefasst.
This brochure contains the following parts of reports.

State of the Art Report on Corporate Social Responsibility (CSR)
in Austria
(englisch)

Bestandsaufnahme CSR in verschiedenen europäischen Ländern
(Zusammenfassung auf deutsch)

State of the Art Report – Highlights Report
(englisch)

unterstützt durch



CSR-Consultants

des FV Unternehmensberatung/IT der WKO

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TABLE OF CONTENTS

TABLE OF CONTENTS	2
EDITORIAL.....	3
PROJECT PARTNERSHIP	4
FOREWORD	5
What is Corporate Social Responsibility (CSR)?	5
General Understanding.....	5
CHAPTER 1. PROJECT DESCRIPTION	6
Project Purpose	6
General Aim.....	6
Specific Aims.....	6
The Partnership.....	7
Total Duration.....	9
Target Groups.....	9
Work Packages.....	9
Products/Results	10
CHAPTER 2. SUMMARY REPORT.....	11
Report Aims	11
Main CSR Key Performance Indicators (KPI'S) per Country - 2003.....	12
Conclusions.....	13
Expected CSR Trends.....	16
Opportunities and Obstacles concerning CSR	16
CHAPTER 3. EXECUTIVE SUMMARY BY COUNTRY.....	22
AUSTRIA	22
ESTONIA.....	24
HUNGARY.....	26
ITALY	28
PORTUGAL	30
THE NETHERLANDS	32
BIBLIOGRAPHY.....	34
Reference Documents	34
Online Sources	35
ENDNOTES.....	36
ANNEXES	37
Countries Overview Table	37

EDITORIAL



Title

Corporate Social Responsibility: State of the Art - Highlights Report 2004

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FOREWORD







What is Corporate Social Responsibility (CSR)?

As far as this project is concerned, **Corporate Social Responsibility (CSR)** is defined and accepted among partners as “integrating voluntarily social and environmental concerns into the enterprises' business operations as well as into the enterprises' interaction with their stakeholders”.¹




CSR can also be understood as the business contribution to sustainable development.

Classically, corporate responsibility towards society has been considered in four levels:

-  Economic responsibilities: producing goods and services in demand by the society, in such a way that capital investment is remunerated;
-  Legal responsibilities: acting in accordance with the law;
-  Ethical responsibilities: acting in accordance with society expectations, which are expressed in social rules;
-  Discretionary responsibilities: those resulting from the individual choice of managers or company owners (philanthropy).

General Understanding

Considering the definition presented in the Green Paper, which stresses the voluntary nature of CSR activity, a restrict approach to the subject would lead us directly to the last two levels. However, **we preferred to use a more general approach** and decided to include a general description of the legal framework under which companies operate in each one of the countries analysed. Two main reasons account for our choice:

-  The six partner countries responsible for the project are in different stages of political, economic, social and environmental development;
-  Legal requirements sometimes differ a lot from country to country. The mere fact that a company acts according to the minimum legal requirements under a particularly demanding legal framework, originates a far better social or environmental performance than the one achieved by a similar company, which considers itself a good citizen because of its volunteer behaviour, in a country where laws are far less demanding;
-  CSR analysts look at a company from the stakeholders' point of view, considering the interests of all parts legitimately interested in its activity: shareholders, customers, staff, suppliers, government and the community in general. In his book “Cannibals with Forks” (1997), John Elkington introduced the concept of Triple Bottom Line approach: companies should no longer be analysed only by their financial performance, but also by their social and environmental impact.

CHAPTER 1. PROJECT DESCRIPTION

Project Purpose

In July 2001, based on the Green Paper “Promoting an European Framework for Corporate Social Responsibility”, the Commission decided to launch a debate concerning the concept of Corporate Social Responsibility (CSR) as well as to encourage European organisations to **build partnerships in order to further an European framework for the promotion of CSR**.

This strategy was based upon the thought that CSR can contribute to achieve the European strategic goal of becoming the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion, by 2010, in accordance with the resolutions of the Lisbon Summit (March 2000) and with the European Strategy for Sustainable Development.

On one hand, the CSR concept was developed mainly by and for large multinational enterprises. According to the European Commission's Think Small First strategy, **the CSR concept, practices and instruments should be adapted to suit the specific situation of SME**.

Due to their lower complexity and the strong role of the owner, SME often manage their social impact in a more intuitive and informal way than large companies.

Lack of awareness seems to be the most significant hindrance to social engagement, especially among the smallest companies, followed by resource constraints.


By involving small business associations, supporting organisations and networks, this project could play an important role in increasing awareness by providing **all stakeholders** interested in **the issue of CSR** with **information and user-friendly tools** along with the **dissemination of good practices** experiences.

On the other hand, **education and training**, at all levels, have a crucial role to play in fostering social responsibility in citizens, including those who are working in the business world or outside it, as well as in the development of **training materials and courses focused on the issue of CSR** in special cooperation with enterprises.

As far as the **common understanding of CSR** by EU member states and candidate countries is concerned, it is very important to take into account that, what CSR represents, depends on the particular situation of individual enterprises and on the specific context in which they operate, whether in Europe or elsewhere.






General Aim

The general aim of the CSR/SME project is:

-  Promoting the debate on corporate social responsibility and to training and teaching how to implement good working practices in SME grounded on the social responsibility.

Specific Aims





The CSR/SME project established some specific aims:

-  Increasing knowledge about the positive impact of CSR on business and society;
-  Developing the exchange of experience and good practice concerning CSR between enterprises in foreign countries;
-  Promoting the development of CSR management skills;
-  Fostering CSR among SME;
-  Facilitating convergence and transparency of CSR practices and tools.

The Partnership

The CSR/SME project partnership is based on a heterogeneous multi-actor platform aiming at learning from one another and teaching each other, enriching the project's dissemination possibilities and achieving the project's results.

The partnership's main feature is the diversity of the partners' experiences. For that reason several dual situations can be found within the partnership, namely:

-  organisations with a vast experience as promoters or partners under Leonardo da Vinci Projects, on one hand, and partners who will be contacting for the first time with the Leonardo da Vinci Programme on the other hand;
-  partners with vast experience in programmes such as Phare, Gruntvig, Interreg and partners without any knowledge concerning these budget lines;
-  organisations working exclusively with adult education and training and organisations working with young people as well;
-  partners with experience and knowledge regarding candidate countries and partners without these skills.

One of the partners is an organisation skilled in quality management, thus playing a very important role in the project. Another partner is an organisation experienced in working with publishing houses and the press which will aid in the dissemination activities.

The promoter is a vocational training centre belonging to a social partner and one of the other partner organisations is a member of a national association of SME.

As the subject of the project is quite innovative, our main concern was not the partners' knowledge about CSR but their capability to manage information, to promote it and to share it with a larger group. We strongly believe that the "core" of the project will be put into effect because all the organisations work closely with SME, which are the main target group of this project.

PROMOTER

CECOA - Centro de Formação Profissional para o Comércio e Afins (Vocational Training Centre for Trade), Portugal

CECOA was created by a protocol signed in July 1986 by the Instituto do Emprego e Formação Profissional (Institute for Employment and Professional Training - a public institute which reports to the Portuguese Ministry of Economics and Labour) and the Confederação do Comércio e Serviços de Portugal (Confederation of Trade and Services - a social partner which represents the trade and services sector).

CECOA aims at promoting training activities and can be referred to as a high-ranking, innovative and competitive organisation for the commerce and services sector. With a national range, CECOA has its head-office in Lisbon and two other branches in Oporto and Coimbra.

CECOA has 42 employees and nearly 200 trainers. In July 1999, the Board of Directors approved CECOA's quality policy. CECOA trained about 17.000 trainees in the last 5 years.

CECOA's task is to further the development and upgrading of trade and services at a national level; to carry out vocational training for young unemployed people and employed people; to promote studies and projects aiming at the development of innovative contents, methodologies and tools to support vocational training and indicators to characterise the sector. Since 1993, CECOA has participated in many European transnational projects, such as Petra, Socrates, Adapt, Leonardo da Vinci, EQUAL.

PARTNER

FO.FO.S. OFFICE - Forum zur Förderung der Selbständigkeit (Forum for Supporting Self-Employment and SME), Austria

FO.FO.S. – *Forum zur Förderung der Selbständigkeit*, (Austria) is a non-profit organisation established in January 2000. Its structure is a network of approximately 15 experts participating in different kind of projects with the aim of supporting small and medium size enterprises, new self-employed and jobseekers (life-entrepreneurs).



The members bring in the following background and experiences: adult education, train-the-trainer and personnel development, focusing on new training methods as a systemic thinking, organising innovative labour market political measures and events, personality coaching, intuitive learning and bodywork.

The members have experience in training and development of training programmes (face to face and e-learning) as well as training materials. The majority of the project team members have worked for at least 10 years in private companies (large and SME).

FO.FO.S. has experience in Leonardo da Vinci projects, not only as promoter but also as partner. For the dissemination FO.FO.S has private companies working in publishing training materials, e-learning and has contacts with training institutes, labour authorities and the general and specific press.

PARTNER

Geomedia Konsultatsiooni- ja Koolituskeskus (Geomedia Consulting and Training Centre), Estonia

Geomedia was established in 1998 as a private owned organisation and is working to contribute to the competitiveness and success of companies and organisations by strategic planning and development of human capital. Geomedia has managed projects, such as development plans for towns, regions and sectors in Estonia and business plans projects for organisations. Geomedia has participated and are currently participating in EU programmes (Phare, Interreg, Grundtvig). Geomedia has provided surveys of vocational education system and adult education in Estonia. The government has also used Geomedia's consulting services.

Geomedia Training Centre offers courses in strategic planning, communication psychology, customer service and provides supervision for organisations.

Geomedia's new line of action is the dissemination and implementation of the "Job rotation concept" in Estonia as a new active method in the labour market policy and as a tool to stimulate entrepreneurship based on the lifelong learning principle, especially as far as SME are concerned.

Krista Noorkõiv, the representative of Geomedia in this project has previous experience in Leonardo da Vinci pilot project management, namely in the bilateral project "Development of New Competencies in a Transeuropean Tourism Sector Network" (1999/2001, promoter from Denmark), as an Estonian-side coordinator.

Geomedia is a member of the Estonian Association of SME and of the Estonian Chamber of Commerce and Industry which results in a special capacity regarding the dissemination of the results.

PARTNER

LA VIDA OKTATÓ ÉS TANÁCSADÓ KFT (Consultancy and Training Centre), Hungary

La Vida began its activity in 2001 and supports Hungarian enterprises in the implementation of up-to-date management techniques, methods and systems, and offers them various services which can enhance their efficiency and support their development on the internal and external markets.

La Vida has three main activities: human resource management consultancy, especially for SME; management and human resource development programmes for SME managers and employees consisting of short courses and trainings; development of international economic and commercial relations by market research, partner search, business and management consultancy, project management, respectively, aided by its Linguistic Centre for the translations.






La Vida experts have a vast experience in teaching and training, drawing up curricula, producing teaching materials and tools, knowledge of Hungarian economy and its legal framework, organisation development, business and management consultancy and translation, respectively.

PARTNER

FRAREG SRL (Training and Consulting Company), Italy

Established in 1989, Frareg is a consulting company mainly concerned with integrating of new skills into enterprise's values; one of the specialisations – however not the only one – is counselling on the adjustment and optimisation of the application of the new international and European body of law (i.e. safety concerned work processes, total quality management, responsible environmental care, investments facilities).

Frareg consulting activities can be divided into five main areas:

-  Safety: fire risk, CE labelling, emergency plans, BS 8800 standards, food hygiene, HACCP, occupational medicine;
-  Quality: UNI EN ISO 9000 standards, health, automobile, military sector standards;
-  Environment: UNI EN ISO 14001 standards, audit and eco-management system;
-  Techniques: noise, microclimatic, microbiological survey, atmosphere emissions;
-  Training: Training courses supplied by Frafor, Frareg Training Division, do not only provide simple didactic information, but also enable participants to grow professionally supported on a concrete basis, by linking practice with theory.



PARTNER

HUESKEN & DE PREE (Training and Consultancy), The Netherlands

Huesken & de Pree Consultancy expertise is built on more than ten years executing international training and coaching of (new) organisations in Central and Eastern Europe and in the Netherlands.

Huesken & de Pree provides training sessions and study-days for enterprises, NGO's and individual people and gives advice in project and changing management, organisation matters, employment orientation and personal development.

Huesken & de Pree offers a own programme in the field of burn-out and executes this two times a year with a group of 12 burn-out people in The Netherlands and 12 groups of 15 people in Lithuania.

Total Duration

The project duration is 24 months (2003/2005).

Target Groups

Corporate Social Responsibility is a subject which concerns principles of environmental, economic and social sustainability. For this reason it is not only addressed to the companies, but also to society as a whole.






Thus the main target groups of this project are owners, managers and other key-people of small and medium size enterprises.





Education and vocational training organisations, social partners, civil **society**, **local authorities**, **regional communities** and **NGOs** represent other important target groups which will benefit from the results of this project.

The potential users of these results will be **schools** and vocational **training organisations** teaching and providing training concerning the role of CSR, especially in commercial and management areas, the **trainers** of these educational and vocational organisations improving their knowledge and skill regarding an innovative matter, **public policy makers** and **decision makers** trying to integrate CSR in public policies, **consumers** and **local communities** benefiting from social responsibility practices, **social partners** aiming at raising awareness and improving knowledge about CSR, for instance, as a tool for collective bargaining; **EU member states** and **candidate countries** enhancing a common understanding about the meaning of CSR.

Work Packages







The project is organised in nine work packages as follows:

-  Project Evaluation and Monitoring;
-  Project Dissemination Activities;
-  Project Management Scheme;
-  Assessment of the Situation;
-  Establishing a Glossary and Producing Materials for Dissemination;

-  Carrying out an Information Campaign about CSR and hold National Seminars;
-  Building up the Guide and Training Manual;
-  Setting up the Study Visits to companies with good CSR practices,
-  Setting up the Workshops / Final Version of the Manual and Guide / Final Evaluation of the Project Results.

Products/Results

As far as the CSR/SME project is concerned, the expected products and results are the following:

-  Report on the “CSR State of the Art” reflecting the CSR practices in the partner countries (*in which this Report is integrated*);
-  Glossary reflecting a common conceptual and terminological framework concerning CSR;
-  Promotional materials to be used in the CSR Information Campaign;
-  Reports on the National Seminars and Workshops organised to promote and disseminate the CSR concept;
-  Reports on the study cases observed during the study visits;
-  Methodology Guide and New Curriculum regarding CSR to include in training courses.

CHAPTER 2. SUMMARY REPORT








Report Aims

The research and the development of the Report on the "State of the Art" concerning Corporate Social Responsibility were carried out between **March and April 2004** in each partner country - **Austria, Estonia, Hungary, Italy, Portugal and the Netherlands** - and the data presented refer to the year 2003, unless stated otherwise.

A Report on the "State of the Art" concerning Corporate Social Responsibility is one of the first expected products/results from the Leonardo da Vinci Project "Promoting Social Responsibility in Small and Medium Size Enterprises".

Highlights of the most important aspects found during the research are presented in this report. The full report, including reports on the "State of the Art" of each partner country is available upon request. For that purpose please contact one of the contact persons identified in the Editorial.

This report aims at summarising the "State of the Art" concerning Corporate Social Responsibility in the six partner countries and establishing comparisons between the different European countries. Therefore, the report is structured in the following way:

-  a first chapter dedicated to the **project description** (justification, aims, partnership, duration, target groups, work packages and products/results);
-  a second chapter with a **project summary report**. In this chapter is provided a brief comparative table containing **CSR Key Performance Indicators (KPI's)** considered relevant in terms of country CSR performance, in order to provide a more visual and numeric idea of the development level regarding Corporate Social Responsibility practices in each country as well as a summarised presentation of the **most important conclusions** of this research on the "State of the Art" concerning Corporate Social Responsibility. Special attention will be given to **expected trends** in the CSR field and to the most important data concerning **opportunities and obstacles** to the development of social responsible practices in the partner countries;
-  In order to give an idea of the most interesting and relevant aspects, as far as the development of the Corporate Social Responsibility concept in each one of the partner countries is concerned, an **Executive Summary by Country** is presented in this Report. As mentioned before, the full report on the "State of the Art" of each partner country is available upon request;
-  The bibliography includes some **reference documents** on CSR as well as the most important **European and national information sources** (off-line and on-line) used for this report. The reports on the "State of the Art" of each country will mention all the information sources as well as reference documents used to put together the full individual report. Besides aiming at showing the information sources used in the report, the bibliography, aims at being used as a guiding list to study the subject of CSR;
-  At the very end of the report is presented a **Countries Overview Table** with a selection of general indicators regarding the six countries involved in the research, plus the average EU 15 value for each one of the items. We believe it will make it easier for the reader to understand the present stage of CSR in each country.

Main CSR Key Performance Indicators (KPI'S) per Country - 2003

As mentioned before, the aim of this report is to provide a general idea on how business in general is performing in terms of CSR at a national level and to establish comparisons between the different European partner countries participating in this project. For that reason, we start by presenting a **summary table of the Key Performance Indicators (KPIs)** considered relevant in terms of country CSR performance. Further insights on the subject will probably lead to improvements on the KPIs table.²

The mere fact of filling it out during the next years will enable us to measure the development of CSR on a country basis. Readers from other countries, who wish to make a similar self-assessment exercise, may find it useful to use this table as reference.

	KPI	Austria	Estonia	Hungary	Italy	Portugal	The Netherlands
1	ISO 14001 Certifications	500	74	690	3.607	243	1.162
2	EMAS Registrations	286	0	2	195	14	29
3	OSHAS 18001 Certifications	0	8 ²	0	208	54	0
4	SA 8000 Certifications	0	0	0	75	1	0
5	CSR Companies Reports published ³	45	0	22	165	25 +	172
6	Social Labels / Fair Trade Labels	0	0	1	0	0	35
7	# Fair Trade Stores	68	0	0	0	9	408
8	European Eco-label Products produced ⁴	5	1	-0	95	8	3
9	European Eco-label Products available ⁴	37	24	19	117	43	39
10	Local Organizations dedicated to CSR	2	-	-	6	3	-
11	# Member Companies of Local Organisations dedicated to CSR	55+	-	-	-	61	-
12	# Relevant CSR Events	8	-	-	8	20	21
13	# People involved in CSR Events	-	200	-	-	2.500	-
14	Relevant corporate community involvement initiatives	-	1	-	9	2	-
15	CSR Univ. Doctorates, Masters and Post-Graduations	-	-	-	6	1	2.580 (UD); 13.930 (M)
16	Overall research about CSR (# of studies)	1	Poor	-	-	9	9
17	CSR Awards	1 ⁵	0	0	3	3	3 +
18	Consultancy companies offering CSR services	-	0	-	10/15	5	Many

Conclusions



The first and most relevant conclusion we draw is that the six partner countries represented in this project are in different stages of political, economic, social and environmental development. This has direct consequences on the country CSR level of performance. A brief analysis of the Key Performance Indicators (KPIs) presented before will certainly corroborate this statement.

This means that each one of the countries represented in this project was in a different level of performance as far as CSR practices are concerned – more than that, a different level of understanding about what it means to a company to be socially responsible - with different characteristics, evolution perspectives, motivations, development barriers, opportunities. In Chapter 3 “Executive Summary by Country”, we state, in a very brief way, the most important aspects, trends, opportunities and obstacles concerning the development of CSR practices within companies, with a special focus on SMEs.

Nevertheless, it is possible to stress out a tendency which points to a more active role of enterprises on the social and environmental fields in the northern countries of Europe, Netherlands and Austria, ranked in 6th and 9th position, respectively, in the “National Corporate Responsibility Index 2003” published by “AccountAbility” followed by the southern countries, Italy and Portugal, ranked in the 19th and the 21st position, respectively. Estonia and Hungary are not referred to in this Index, probably due to the minor role played by this subject in the business world of both countries.

In fact, those two countries shared a common reality characterised by being under a dictatorial political regime until almost the end of the twentieth century, in which the social responsibility was assumed by the State itself or by the state companies, in a paternalistic approach to the issue, partly justifying the large amount of ground to cover, comparing with its western European partners.

As a matter of fact, the free approach to market activities is quite new and economic sustainability is still the most important challenge to win - “keeping out of the red has left little time or energy for going green” -. Furthermore, just recently a whole generation of young leaders has taken over the management positions in the companies (until now the companies were managed by the older generation of managers to whom the expression “Corporate Social Responsibility” holds a “derogative” connotation, being associated with socialism) and has embraced the global market policy behind, engaging in a more active and dynamic perspective.

Another important conclusion is that the legal framework regarding social and environmental requirements is more or less demanding depending on the country and on the level of maturity of its own social and environmental development, producing important consequences regarding the country CSR level of performance.

The mere fact that a company acts according to the minimum legal requirements under a particularly demanding legal framework, originates a far better social or environmental performance than the one achieved by a similar company, which considers itself a good citizen because of its volunteer behaviour, in a country where laws are far less demanding.


This fact originated our first main problem concerning the exact definition of the CSR level of performance in each country, because sometimes it is difficult to distinguish legal obligation from voluntary integration. We would like to stress out this point in order to enable a correct reading of the facts and data given.




The recentness of the subject - the Green Paper on CSR was published in 2001 - with consequences concerning dissemination among all kind of enterprises is one of the relevant facts established by our research. As the project “Promoting Social Responsibility in Small and Medium Size Enterprises” concerns SMEs, one of our goals during the research was, where possible, to stress out the level of performance of small and medium size enterprises as far as CSR is concerned.

This issue leads us to the next conclusion: business size deeply influences companies’ stance towards corporate social responsibility, i. e., available data and studies refer mainly to large companies and in public discussions, congresses and also in the media it is spoken with and about larger companies engaged on CSR, missing the perspective of SMEs.

This fact is true for all the countries and reinforces the importance of focusing on SMEs, since they amount to 99.5% of EU 15 companies.

According to the Italian partner the reasons for the limited commitment of SMEs in CSR initiatives can be explained by an identified number of reasons:

-  The interventions in favour of co-workers and the community, often carried out by the people in charge of these enterprises, are usually executed on a personal basis and according to unstructured means, thus making an objective observation impossible;

-  All life expressions of these enterprises are characterised by a low degree of formalization;
-  Financial resources which can be invested in CSR activities are limited, therefore the range of noticeable actions is diminished;
-  If the channel of trade is made up of few companies for which a sub-supplier activity is carried out, initiatives promoting corporate image will not be so relevant.

The reasons presented apply to all countries represented in this report and lead us to another important conclusion which must be highlighted: the main part of the activities considered social responsible are carried out according to unstructured means, in an informal way and with no connection or integration into the company strategy.

Main Facts

In order to offer a more concrete idea of the CSR level of performance in each partner country represented in this report we gathered certain indicators which could state some kind of conclusions on the State of the Art concerning Corporate Social Responsibility in those countries.

Austria

According to a study by CSR Austria in 2003, 97% of the companies in Austria were engaged in any kind of corporate citizenship activities in 2002.⁶

Cash donations are the most popular field in corporate citizenship with 93% of the Austrian companies, followed by donations in goods (85%). 68% of the enterprises signed sponsoring contracts with non-profit organisations whereas another 58% of businesses supported them in the field of corporate volunteering.

Estonia

In Estonia Corporate Social Responsibility as a concept is not yet a discussion topic on the scale it could be. Nowadays, emerge the first signs of a conscious approach to the notion.







Thus, we can conclude that the understanding of CSR is very recent and is now on the verge of introduction to business practices, academic curricula and the general public. Entering the European Union, where CSR is often in the public eye, is expected to have a positive impact on promoting CSR in Estonia.

Hungary

There is no history of CSR in SMEs on a major or even organised scale in Hungary.

According to the results of a study carried out by the Hungarian Environmental Economics Centre in 2003, in general, CSR and its perspectives are not acknowledged and certainly not incorporated into everyday practice by 27 companies listed on the Budapest Stock Exchange, which are the most internationally-minded and forward-thinking of the largest Hungarian companies. The mind-set is even less developed among their small and middle sized market companions.⁷

However, the most popular CSR activities of companies in Hungary have been identified as:

-  Employee fringe benefits (training, financial loans, meal-tickets, internet access, language classes);
-  Help for ex-employees;
-  Donations to causes and churches;
-  Supporting foundations, cultural events, artists;
-  Supporting (non-profit) institutions established by the company,
-  Opportunity for legal employment for foreigners and immigrants.

Italy

In general, Italian companies show a positive attitude towards CSR. Enterprises seem to be engaged in socially responsible activities, using several tools, such as, specific programmes concerning social issues, sponsorships, donations, adoption of codes of conduct.



According to a study carried out in 2003 by *Unioncamere* (the Italian Union of Chambers of Commerce) in cooperation with the *Istituto per i Valori d'Impresa* (ISVI - Institute for Corporate Values) only 15.2% of the larger enterprises do not know tools like Green Paper, code of conduct, environmental statement, social statement, SA8000, EMAS/ISO 14001 against 55% of smaller and small enterprises).⁸

Meanwhile, for several companies CSR is still an occasional topic, not closely related to the business strategy.

Portugal

In Portugal and according to the Report 2002/Nº 4 of the Observatory of European SMEs, 2/3 of the Portuguese SMEs actually practice some kind of external CSR, most of them in an informal way.⁹

Culture and sports are the main activities supported, followed by health and welfare. The most popular way of involvement is through donations, in cash or in kind, usually carried out on an ad-hoc or irregular basis. Portugal has the highest incidence of company donations among EU 15.

According to a study carried out by MORI on behalf of CSR Europe in twelve European countries in September 2000, the concept of CSR remains quite unfamiliar to common Portuguese citizens.¹⁰







However, 66% of them think companies should pay more attention to CSR. 20% would recommend a socially responsible company to others, 70% admit that the company's commitment to social responsibility might influence their buying decisions and 28% would agree and 36% would not agree to pay more for an environmentally and socially responsible product.

The percentage of consumers which could be considered as "Social Responsible Activists" was in fact significantly low (3%, compared with an European average of 26%).

With few exceptions, socially responsible behaviour is not associated with common business. Many Portuguese companies, especially the smaller ones, are compliance vulnerable in matters such as tax payment, labour and environmental legislation, social security, or even licence to operate.

The Netherlands

According to an inquiry carried out by the Dutch Ministry of Economic Affairs, in 2003, 12% of the 300 inquired enterprises are working with CSR on three or more of the subjects as mentioned here:¹¹

-  Special policy on education of employees;
-  Special policy on recruiting women, re-integration or handicapped people;
-  Special policy on recruiting minorities and refugees (besides the compulsory legislation);
-  Policy on reducing using energy;
-  Making several demands to subcontractors;
-  Knowledge in enterprises with OECD directions with investments and demands on suppliers.

50% of all Dutch enterprises have a specific policy on training and educating their employees; this mostly involves professional and employability training. These enterprises also care for their own staff as a part of the internal dimension of CSR by offering their staff recreational and fitness activities.

In the Netherlands as in other countries, sponsoring seems to be one of the most important features of CSR. More than 50% of the Dutch enterprises support organisations. In large and medium size enterprises the percentage is much higher, about 75%. Concrete activities for society are only carried out by large companies.

In The Netherlands, only in 15% of all enterprises does CSR play an important role. In more than 33% of the enterprises CSR plays a small role in the policy. 28% of the enterprises declared that CSR hardly plays a role in their enterprise. Notwithstanding, 72% think that they are working on CSR. One of the reasons for this fact is that enterprises do not differentiate CSR from social commitment.

Expected CSR Trends

Traditionally, CSR has been practised in an informal way by a large percentage of companies, including SMEs, but the subject only emerged as an autonomous management discipline at the turn of last century, especially after the Lisbon European Summit of March 2000.

Literature and managerial practices show evidences of the fact that company performance depends on various intangible assets such as the value of knowledge and the capability to innovate, the consensus and trust of stakeholders, the reputation, and, finally, the availability to contribute to the community wellbeing; In a word, company performance also depends on the ability of companies to behave in a social responsible way.

The research on the "State of the Art on CSR" carried out between March and April 2004 in the partner countries, makes it possible to anticipate that the CSR's level of importance will increase in the coming years, in line with the reinforcement of the "Lisbon Strategy" in the EU. The movement will tend to expand from multinationals and large companies to the SMEs tissue. Public awareness regarding the subject will tend to increase, and so will the strategic approach to CSR: linking CSR initiatives with company business strategy, recognising CSR as a win-win strategy. In fact, nowadays' decisions are mainly made regarding enterprise politics but without a strategic analysis.

Companies are expected to have to adopt certain CSR practices due to the external pressure from more knowledgeable customers (according to the conclusions presented in the study "European Attitudes towards Social Responsibility" carried out by MORI on behalf of CSR Europe in 2000, customers admit that a company's commitment to social responsibility might influence their buying decisions and agree to pay more for an environmentally and socially responsible product, obviously in different percentages according to the country), demanding business partners and employees more aware of their labour rights.¹⁰

Furthermore, non-profit organisations are expected to become more professional as far as their role of bringing different sectors together for common good is concerned.

The number of companies listed in social indexes and/or certified according to international Social Standards are also expected to increase significantly as well as the number of CSR reports published by companies. In fact, the external communication regarding the CSR subject is one of the weaknesses found in the State of the Art on CSR research. One of the expected trends in the coming years, with special focus on SMEs, is to increase the quantity and the quality of the external communication concerning CSR. These enterprises do not make their initiatives public due to absence of budget and communication and public relations workers.

The idea is that companies pioneering in this field will function as benchmark examples and pull forward other companies, namely in an European context. This means that we should be able to see, in a near future, a reality in which companies are socially more active in some of the European countries - namely the ones belonging to the partnership and with the help of the project results - will disseminate their practices in a way that will pull forward other companies, even though belonging to other countries.

The growing importance of environmental protection, sustainability development practices, health and safety at work, human rights protection, protection of minorities and disabled people, balance between working and private life, equal opportunities, business ethics and transparency, corporate governance, discussions about regulations and values, among others, are the main reasons why we can expect CSR to become more important in the future.

Nevertheless, the recent difficult economic situation in Europe raises the question of how to keep the jobs for the company's employees – which is in turn a sustainable question on CSR itself – can at the moment also be seen as a serious setback to a wider CSR involvement in the companies' external stakeholder fields.

Opportunities and Obstacles concerning CSR

One of the most important points of the reports on the "State of the Art" of each partner country, which conclusions we would like to highlight in this report, is the one regarding the research on the opportunities for and obstacles to CSR.

With this research we expect to improve our understanding of a path which will actually enable the promotion of CSR among SMEs - the general aim of this project – briefly - to know the companies' reasons and motivations to integrate CSR into their business strategies principles, which are the identified business benefits for companies to be active in CSR and which are the main barriers mentioned by enterprises as important obstacles to the development of CSR practices within the corporate working ground.

Using these data we expect to improve our project results in order to improve the answer to the company's needs and expectations as far as CSR development is concerned.

Highlighting we can say that:



Reasons and Motivations






Austria

According to a study by CSR Austria in 2003, the reasons for supporting non-profit organisations are in three of four cases the ethical and moral persuasion of the management (concerning the owners in 38%), while one quarter believes in a positive impact for their business success and 23% are motivated for corporate citizenship due to their co-workers. Public pressure leads to engagements in 6% and defaults of the parent company in 3%.⁶

To differentiate on the basis of companies' size, small enterprises consider the positive impact on their business due to CSR only in 12% - a number which is doubled considering middle-sized and large companies.

Estonia

According to a survey carried out on March and April 2004 among 50 small and medium size enterprises all around Estonia to monitor their opinion about CSR, there are five main reasons and motivations for companies to be active in CSR:¹²

-  Increasing employees satisfaction (improving retention and attraction);
-  Better image building;
-  Ethical reasons;
-  Improving the relationship with clients,
-  Participating in designing the development process of the region/community.





Hungary

Due to factors such as the political consumer, well-organised and well-funded NGO's, companies' considerable wealth and political clout as well as an increasing interest from the mainstream media, companies are increasingly forced to communicate more openly, produce in a more (socially and environmentally) responsible manner and share profits with others than the direct owners.

Although not having any available studies or researches on CSR development in Hungary, it is fair to say that business success (survival) and stakeholders satisfaction are intimately tied to the adoption and implementation of high standards in business ethics and conduct. Attracting investment, whether SRI's, foreign investment, governmental or any other type, will increasingly depend on the companies behaviour in society, towards its employees, the environment, the community, making it essential for every company, regardless of size and industry, to focus on CSR.

Italy

According to the Italian full report on "The State of the Art on CSR", companies' advantages deriving from the participation in the CSR system are:

-  Increased corporate trust and reputation, improving the relationships of the participating companies with different stakeholder categories;
-  Better market positioning in relation to the increased demand for ethical products (goods and services);
-  Easier access of companies to the financial markets and especially to ethical, environment and sustainability-oriented funds operating in accordance with SRI principles;
-  Possible fiscal, economic and administrative incentives which the Government could introduce in order to reward socially responsible companies.

Portugal

According to the Report 2002/Nº 4 of the Observatory of European SMEs, the main reasons for SMEs to be externally socially active are ethics (44%) and the improvement of the relationship with the community/public authorities (39%).⁹

As far as environment responsibility is concerned, legal compliance, cost savings, better image and pressure from the customers are the main motivations for being active.

According to a report on the national situation towards ethical management published in 2002 the reasons why companies should involve themselves in CSR are “because it is the right thing to do” (56%) and “because it is a good strategy” (35%). Commercial advantages (5.5%) and profitability (3.5%) were the less chosen answers.¹³

The Netherlands

According to an inquiry carried out by the Dutch Ministry of Economic Affairs in 2001 and 2003, the ‘social duty’ is many times the main reason for CSR. Over 60% of the economic life is involved with CSR because it is the right thing to do, from an ethical point of view. Furthermore, it has to bring profit to the enterprise. This plays a more important role in large enterprises than in small enterprises.¹¹

Having a CSR-policy will give the enterprise a better image towards the customers, suppliers and business partners (33%), and this will lead to better publicity and more profit.

For less than one out of five enterprises CSR is, somehow, demanded by their clients. The demands are mainly on the area of preventing from fraud and corruption, environmental behaviour and having a course of behaviour.

Other motivations are reducing pollution and a better work environment. Other motives for having a CSR policy is that CSR is important for the continuity of the enterprise and gives it the right to exist.

One fourth of the enterprises which are involved with CSR, does not see its direct benefits.

Business Benefits

Austria

According to a study by CSR Austria in 2003, although CSR involvement offers a remarkable potential for strengthen a company’s image and its positioning / unique selling proposition in the markets as well as long-term relationships with important stakeholders offer business opportunities for the future, companies in Austria are still not familiar enough with the business benefits of CSR.⁶

Estonia





According to a survey carried out on March and April 2004 among 50 small and medium size enterprises all around Estonia to monitor their opinion about CSR, the main business benefits for companies to be active in CSR are related to employee motivation and productivity, improved image and closer relationship with customers to contribute to sales, and the opportunity to direct the development of the area in a way which also supports the company’s development.¹²

The benefits are to a large extent not consciously addressed, as only 46% of the participants in the survey recognised the connection between corporate social responsibility and economic gains.

It might be interesting to know that almost 80% of the respondents replied that external pressure (either from clients, competitors, partners or government) is not urging their companies to be more socially responsible.

Hungary

According to the Hungarian full report on “The State of the Art on CSR” the major benefits for companies focusing and providing information on their CSR efforts are:

-  Increased goodwill towards employees, the public, the press, NGO’s authorities, investors (improved brand image);
-  Becoming eligible for SRI’s;
-  The possibility of raising price on products or services;
-  Better financial performance.

Italy

According to the Italian full report on "The State of the Art on CSR" for Italian companies the most important benefits resulting from socially-responsible behaviours are:

- ☞ Regarding human resources and the company environment, CSR practices contribute to a better, safer and more-motivation-based working environment, in line with the corporation targets of effectiveness efficiency. As a consequence, this increases the corporate capability to attract and keep qualified and motivated human resources;
- ☞ At the international competitive level, which is more and more complex and dynamic, where social and environmental dumping cases trigger competitive imbalances, CSR may represent a qualifying distinctive element by transforming threats into opportunities, in full respect of the market rules and consumers' sensibility;
- ☞ Easier access to financial funds by virtue of the already-mentioned risk profiles reduction of a socially-responsible company.

As far as the final market is concerned, the CSR commitment contributes to the increase of the brand value, through the development of a steady and long-lasting relationship with consumers/clients, on the basis of trust and loyalty to the brand.

The care for principles of social and environmental responsibility strengthens the company's reputation and thus reduces the risk of boycotting by third organisations.

Portugal

The main benefits identified by the report "European SMEs and Social and Environmental Responsibility" are the improvement of the relationship with the community/public authorities (40%, the highest rate in EU 15, confirming the great importance of personal relationships in Portuguese business) and an increase in customer loyalty (33%), but many companies (36%) could not identify concrete benefits.⁹

European SMEs clearly split in two groups of almost equivalent size: the socially active, mainly mature companies, those growing at a fast rate, innovative or providers of high quality products, which tend to continue doing it, and the ones which do not believe in the benefits of CSR. 70% of the SMEs tend to maintain the same policy they had in the past, 14% plan to increase social involvement and 7% to decrease it.

The Netherlands

According to an inquiry carried out by the Dutch Ministry of Economic Affairs in 2001 and 2003 the main identified benefits are connected with better image, raising awareness, better social environment in the company, costs reducing and getting more attractive to labour market.¹¹

At the same time one out of five enterprises are convinced that CSR activities will harm the profit, and sponsoring and training the employees will cost the enterprise quite a lot of money, meaning that: notwithstanding the high level of development of CSR in The Netherlands, there are quite a lot of enterprises which do not see any advantage in acting in a more social responsible way or do not know the business benefits of CSR.

Barriers / Obstacles

Austria

According to the study by CSR Austria, the companies' reasons for not improving their engagement in corporate citizenship are the missing financial resources (68%), too less or too unclear use of the engagements in relation to its expenditures (53%) and missing time resources (46%).⁶

As the Austrian Revenue Office still does not comprise exemptions regarding to donations for social projects, arts and cultural affairs (others than science and research), disabled people, development cooperation, humanitarian help, environmental and animal protection etc., a broad potential for strengthen CSR involvement lies idle.

Other aspects noticed in personal discussions in Austria deal with the terms "Corporate Social Responsibility" and "Corporate Citizen" which are in a German speaking country still very unusual to many business people especially in small and middle-sized enterprises.



CSR is just in the beginning concerning its awareness and discussions in the political landscape and in the various fields of opinion leaders as well as coverage in the media.

Estonia

According to a survey carried out on March and April 2004 among 50 small and medium size enterprises all around Estonia to monitor their opinion about CSR the main barriers were the lack of financial resources (confirmed by 70% of the respondents) and time (60% of the respondents).¹²

Besides these, the lack of human resources and the understanding that CSR is not really a company's responsibility are also obstacles to CSR advancement.

Moreover, we can point out that companies do not look at CSR benefits, but tend to see only the need for investment.

This can be partly explained by the fact that the general knowledge about CSR is poor and companies do not know how to employ its strategies. However, the respondents indicate that the lack of knowledge both about CSR practices and ways of integrating these into company's operations is not a significant issue, which signals that the topic of CSR is very new in Estonia and its meaning and opportunities are yet to be revealed.

Hungary

In Hungary, CSR is still an issue which importance people do not seem to see. It will take a change in attitudes before CSR truly takes off.

Furthermore, legislators have to do more in order to promote incentives to get involved with CSR. The government and politicians in general play an extremely important role in spreading the mind set and practice, first and foremost by being good examples and providing the necessary legislation.

Hungarian companies must also learn from companies elsewhere in the world and engage themselves fully in the global competition. That is sure to promote measures which will increase the competitiveness of Hungarian companies.

Italy

In general, Italian companies show a positive attitude towards CSR. Companies seem to be engaged in socially responsible activities using several tools: specific programmes on social issues, sponsorships, donations, adoption of codes of conduct. Meanwhile, for several companies CSR is still an occasional topic, not closely related to the business strategy.

The need for public support is clearly pointed out by Italian enterprises as a critical factor in fostering CSR behaviour. In particular, in addition to fiscal incentives, companies need information on corporate social issues (the lack of publicity on CSR is considered one of the main obstacles to CSR activities). Public Authorities have to develop and spread knowledge about CSR in the business community through promotion and communication.

Portugal

According to the report "European SMEs and Social and Environmental Responsibility", existing barriers to social involvement are mainly lack of awareness (24%), particularly among the smaller companies, followed by lack of time (19%) and the idea that CSR external activities have no connection with the company business (17%). Lack of money is also important (16%), especially for smaller companies. Public support does not seem to be important.⁹

Concerning environment responsibility, the main obstacles identified are lack of human and financial resources, attitude and company culture and lack of awareness.

Attitude in general and lack of awareness in particular seem to be the common elements of both social and environmental aspects of CSR, especially at the SME level.

The Netherlands

According to an inquiry carried out by the Dutch Ministry of Economic Affairs, over 25% of the enterprises does not have any type of CSR-policy. The main reason for this is the small-scale of the enterprises (most of the times less than 10 employees).¹¹

Another reason is that managers think their company does not involve CSR or just had not thought of it before.



Attitude in general and lack of awareness in particular seem to be the common elements of both social and environmental aspects of CSR, especially at the SME level. These points reinforce the importance of implementing an information campaign on CSR with a special focus on the win-win strategy of corporate engagement as well as developing training contents and training materials on the subject and diffuse them amongst the public in general and the SMEs managers in particular.

CHAPTER 3. EXECUTIVE SUMMARY BY COUNTRY

AUSTRIA

Austria is ranked 9th in the "National Corporate Responsibility Index 2003" published by "AccountAbility".¹⁴

In the beginning of 2002, discussions about corporate social responsibility (CSR) by the Federal Ministry for Economic Affairs and Labour and the Federation of Austrian Industry initiated the programme "CSR Austria" together with the Austrian Chamber of Commerce as another partner. In a stakeholder dialogue, business representatives and politicians met representatives of social partners, international organisations and NGO to base the guiding CSR vision for Austrian businesses upon the motto: "Economic Success – Responsible Action" (published and presented in December 2003).

During this process, CSR Austria has been engaged in a number of workshops, round tables and publications to discuss and inform social responsibility of businesses together with a broad audience and supported by effective work with the media. The Austrian Business Council for Sustainable Development and the Austrian Institute for Sustainable Development established the Austrian Business Academy for Sustainable Development with the focus on training in corporate sustainability in the spring of 2004.

According to a study by CSR Austria, in 2003 three-quarters of the Austrian companies have a system of values based upon their specific profile, which is, in most of these cases, documented as a company's vision or its mission statement. Indeed, only some of the largest companies publish social and environmental reports.⁶

Concerning the Austrian Code of Corporate Governance, established in October 2002, the CSR Austria Study has shown that 59% of the Austrian enterprises know the discussion about corporate governance. 16% of the companies taking part in the study have signed the Code. The reasons for not signing are for every second company "not enough utility", followed by "too much bureaucracy" (43%), "no demand on the side of clients, banks or investors" (36%) and "not enough orientation on the needs of SME" (36%).

According to the CSR Austria Study, 97% of the companies in Austria were engaged in activities in any kind of corporate citizenship in 2002. As far as small enterprises are concerned, one third was engaged in an amount up to 2.500 EUR, the second third between 2.500 and 5.000 EUR and the most active third with more than 5.000 EUR. The first third of middle-sized enterprises has invested up to 7.000 EUR into corporate citizen activities, followed by a second third with up to 15.000 EUR and a final third engaged with over 15.000 EUR in one year. The appropriate limit values of large companies are 12.000 and 45.000 EUR. Cash donations are the most popular field in corporate citizenship with 93% of the Austrian companies, followed by donations in goods (85%). 68% of the enterprises signed sponsoring contracts with non-profit organisations while another 58% of businesses supported them in the field of corporate volunteering.⁶

Small enterprises consider the positive impact on their business due to CSR only in 12% - a number doubled considering middle-sized and large companies. Reasons for not improving their engagement in corporate citizenship are the missing financial resources (68%), too less or too unclear use of the engagements in relation to its expenditures (53%) and lack of time resources (46%).

Important industries in Austria are based on nature, like tourism and forestry. 315 enterprises are active in the environmental technology industry reaching 2.5 billion Euro profit a year. Industries such as biomass technology, energy efficiency and solar technology secure 16.000 jobs, together with the sector of environmental services the number of jobs is 85.000. The export quote of these environmental enterprises is at 60%, which can be regarded as a proof for high quality and competitive ability.

Considering fair trade initiatives, there are 68 world shops in Austria, of which 62 are members of the Austrian World Shop Association. Besides, fair trade labelled products are available in more than 1.500 supermarkets.

In spite of the fact that Austria's consumers are on the world top concerning waste separation with over 100 kilogram packing per person in one year (source: www.argev.at), the OECD Report in 2003 showed that private consumers exhibit constantly rising values. OECD stated a better environmental responsibility particularly in the industry and energy supply sectors, while the traffic sector remained on constantly high level. The report comes to the result that Austria could not get closer to the Kyoto goal of a 13% reduction from greenhouse-effective gases until 2010. Nevertheless, the Environmental Sustainability Index (ESI), which measures the environmental performance of 122 countries, has listed Austria, at once, at place 8 and at number 5 in Europe (ESI 2001).

In 2002, private investing in ethical funds has reached 1.4 billion EUR, which is 0.4% of the Austrian funds volume. Ethic funds have no long tradition in Austria, but this kind of investment is thought to be just at the beginning. Following Austria's daily newspaper for economics (*WirtschaftsBlatt*), the total number of funds with ethical, environmental or sustainable orientation available in Austria has been 46 in the autumn of 2003.



A study of the Austrian Gallup Institute in 2002 shows that 34% of the Austrians and 58% of investors orientated in environment, are interested in an index for the social and environmental sustainability of Austrian companies. 34% of the investors without shares in Austrian companies are willing to invest in Austrian companies as soon as their social responsibility has been proofed. Indicators to measure CSR are developed in a current dialogue between the Stock Exchange in Vienna and the University for Economics at an open web platform. According to the Austrian Association of Financial Analysts, over a dozen of the 40 companies in the prime market at the stock exchange in Vienna already would fulfil the criteria of a CSR index. Currently it is planned to start the CSR Index with 12 up to 17 members. Important Austrian companies such as Erste Bank, Voestalpine and UNIQA already have shown their interest.¹⁵

According to the CSR Austria Study, the main reasons for Austrian businesses to support non-profit organisations are in three of four cases the ethical and moral persuasion of management (concerning the owners in 38%), while one quarter believes in a positive impact for their business success, 23% are motivated for corporate citizenship due to their staff. Public pressure leads to engagements in 6% and defaults of the parent company in 3%.⁶

Only 14% of the companies plan their corporate citizenship activities in a strategic way. 52% of the decisions are made regarding the enterprise's politics but without a strategic analysis. 32% of the companies are engaged in corporate citizenship without any strategic relation to their business. These points reinforce the importance of implementing an information campaign concerning CSR in Austria with a special focus on the win-win strategy of corporate engagement as well as developing training materials on the subject in order to professionalize small and middle-sized companies and NGOs on CSR.

ESTONIA

Estonia, while being one of the smallest countries in Europe has had relatively fast economic growth taking place since 1995. Together with this, the development of the civil society and the third sector organisations could be highlighted. Both public and the third sector initiatives are leading social agreement and encouragement to multi-sector dialogues. Although the expected results have not been achieved yet, the ownership of the process and envisioned results allow us to expect further progress.

In Estonia Corporate Social Responsibility as a concept is not yet a discussion topic on the scale it could be. Nowadays, emerge the first signs of a conscious approach to the notion - in the last decade, approximately 3-4 articles a year have been published on the topic in the daily newspapers, and on average about 1-2 larger conferences a year, which cover topics related to CSR, have taken place. Furthermore, the researches on this topic are expanding. Thus, we can conclude that the understanding of CSR is very recent and is now on the verge of introduction to business practices, academic curricula and the general public. Entering the European Union, where CSR is often in the public eye, is expected to have a positive impact on promoting CSR in Estonia.

In terms of implementation, CSR approach has a longer history due to the fact that during the Soviet times, large enterprises and collective production units (collective farms) often took care of their social environment by investing in local communities and taking care of their employees. Currently the general situation shows that the companies' role is being largely valued in the development of the society as a whole. Companies' side cash and in-kind support are part of the common business practice. Sports, culture, health and welfare are the main subjects of support. At the same time, these practices are often not integrated in the strategic management of the organisation and thus may often be informal in its character.

In the recent years, the understanding of CSR and standards applied in the companies are broadly shaped mainly by Scandinavian investments. Rapidly developing sectors of the economy such as telecommunications and banking are owned by Scandinavians and are assimilating the Scandinavian culture/standards to a large extent.

The present picture is the following: almost 80% of the companies in Estonia are micro and small size enterprises with limited resources. Hence, most of them still do not have long-term strategic plans and their mission, values and vision written down. In those companies which have the statements, shareholders, who are closely followed by clients and employees and to a lesser extent by society, occupy the leading positions.

In a qualitative research carried out in 2003 amongst the leading enterprises, approaches of companies were found fitting in both extremes on a proactive-reactive scale in regards to CSR. However, the majority of large enterprises researched were more on a proactive side of the scale, looking at the relationships and ties in a broader perspective, than at those with shareholders and customers. The relationship with other companies in an industry/service area are becoming very important.¹⁶

The research also indicated weak connection between CSR and core business/resources. As the clients, shareholders and employees are identified as the most important stakeholders, main CSR activities are being run along these lines. Environmental reporting and eco-labelling, cause related marketing campaigns, increasing investments in employee development programmes, although, often just recently introduced, are visible signs to prove the aforementioned. In addition to this, it has to be mentioned that the reporting and "talking about it" is still on a very minimum level. There are no special CSR reports available by any company.

Ethical funds and social indexes have not been introduced yet in Estonia.

At the current stage of development the concern with environmental protection could be highlighted rather than the concern with CSR. Since the beginning of the 1990s a number of environmental organisations have been founded. By now a few leading companies are already publishing their environmental reports and the trend is increasing. Currently 80 companies have become ISO 14 000 certified, less than 10 companies have acquired OHSAS 18 001 certification, while the SA 8000 and EMAS certifications are not yet available in Estonia. In the certification process, there is no direct financial support from the state in achieving neither social nor environment certifications. Sustaining projects which assist in creating the capacity for achieving the standards encourages the attainment of certificates.

Furthermore, there is no organisation whose main activity or operation is directly and only related to developing CSR practices, know-how or understanding in Estonia. In the umbrella bodies which unite private sector organisations, CSR is not part of the main agenda. Despite that, there are several NGOs which have engaged themselves in bringing different sectors together for common good and initiate CSR related activities.

In terms of academic curricula, CSR is relatively little represented, however not completely missing in the universities' study programmes.

There are no national awards in Estonia which directly refer to CSR. Nevertheless, there are a few awards which give recognition to some aspects of CSR, e.g. Technology Developer of the Year and Community Developer of the Year. Furthermore, several non-governmental and private sector organisations have initiated awards turning the attention of the society to CSR related issues on a more specific level (Most Environment/ Family Friendly Company, The Best Company in Recycling etc.). In addition to this, specific industry organisations can have their own awards in similar categories.

In the spring of 2004 a CSR related survey was carried out among the small and medium size enterprises. Based on this, it can be concluded that the main business benefits for companies to be active in CSR are related to employee motivation and productivity, improved image and closer relationship with customers to contribute to sales, and the opportunity to direct the development of the area in a way which also supports the company's development.¹²

The benefits are to a large extent not consciously addressed, as only 46% of the participants in the survey recognised the connection between corporate social responsibility and economic gains. The lack of financial resources and time were identified as the main barriers. Besides these, the lack of human resources and the understanding that CSR is not really a company's responsibility are also obstacles to CSR advancement.

As to the future of CSR in Estonia, increase in the companies' knowledge can be expected, hopefully paving way to a more integrated management of the companies' role in the society. Growing public awareness will also be an influential stimulus in the process, which will also be encouraged by the European Union.



HUNGARY

Since the fall of the communist regime in Hungary in 1989, the country has been continuously adopting a free approach to market activities. Before this time, the Republic had no experience with issues such as sustainable management and, therefore, had large amounts of ground to cover compared with its Western European counterparts, both in terms of policy and governance, and in acquiring skills and experience in the market arena.

It was a question of necessity that before the political spotlight could be turned to long term environmental and social concerns, immediate and complicated economic issues were to be faced. Corporate Social Responsibility, itself a relatively new field, has taken a very back seat to the constant bureaucratic problems which have riddled this rising democracy.

Leaders in today's Hungarian companies have had 15 years not directly under the auspices of the communist regime. At the beginning of this time it was possible to learn business and other techniques which enabled citizens to set up enterprises. They began to have more design and initiative in their own lives, and with it more social responsibility.

Economic sustainability has been a constant challenge for such individuals, and keeping out of the red has left little time or energy for going green. But more fundamentally, players in the markets of Hungary are typically not aware of the role they (would) play in achieving social goals, let alone knowing how to effectively support such ideas and remain profitable. CSR initiatives in Hungary seriously risk being seen as naive - the enemy of the bottom line.

Traditionally, companies in Hungary have neither shared significant information with the public and legislators beyond that which was required, nor operated specifically in ways to improve or alter social and environment issues.

There is no history of CSR in SME on a major or even organised scale in Hungary.




A study was carried out by the Hungarian Environmental Economics Centre in 2003 concerning 27 companies listed in the Budapest Stock Exchange. It is evident that, in general, CSR and its perspectives are not acknowledged and certainly not incorporated into everyday practice by these companies, which are the most internationally-minded and forward-thinking of the largest Hungarian companies. The mind-set is even less developed among their small and middle sized market companions.⁷

Likewise, the flows from SRI funds (Social Responsible Investments), which are gathering momentum elsewhere in developed markets, are not pouring into Hungary. Two reasons are listed in the report; one is the lack of CSR information from Hungarian companies. The second is a continuous mistrust of the stability of the emerging economies of Central and Eastern Europe from established funds and investors.

However, among the 27 companies researched 4 of them in particular are making great efforts to improve their CSR standards and to convey information about their progress – or regress – available to any person who may have an interest i.e. shareholders, future investors, NGO's, the press etc. Other companies are either following immediately after in their efforts or considering and planning how to improve their level of information and hence their processes.







Also, the Hungarian accession into the EU on May 1st 2004 should make it clearer to foreign investment funds that the economy is stable and that the political establishment will hold true to the ideas of market economy. Hungary was among the first countries in the former Soviet client states to adopt these ideas and provide a healthier business environment.

The above-mentioned survey conveys the following future indicators of trends in Hungary:

-  to 70% of customers, a company's CSR activity is an important factor for buying;
-  20% of customers are willing to pay more at a company with CSR;
-  78% of employees prefer to work for a company with CSR for lower salary.









Most popular CSR activities of companies in Hungary have been identified as:

-  Employee fringe benefits (training, financial loans, meal-tickets, internet access, language classes);
-  Help for ex-employees;
-  Donations to causes and churches;
-  Supporting foundations, cultural events, artists;
-  Supporting (non-profit) institutions established by the company;
-  Opportunity for legal employment for foreigners and immigrants.





Based on the available information on CSR in Hungary today and the way companies, politicians and organisations communicate in fields related to CSR, it is fair to assume that the idea of CSR will spread and grow and that the related communicational culture will become an organic part of Hungarian corporate world with promising and dynamic perspectives. So far, the results are modest but the potential is substantial.

ITALY





According to a study carried out in 2003 by *Unioncamere* (the Italian Union of Chambers of Commerce) in cooperation with the *Istituto per i Valori d'Impresa* (ISVI - Institute for Corporate Values) business size deeply influences companies' stance on social responsibility. This connection results from all the main factors: ⁸

-  As far as the knowledge of CSR issues and tools are concerned (Green paper, code of conduct, environmental statement, social statement, SA8000, EMAS/ISO 14001), percentages related to smaller and small enterprises occupy a position considerably below the others. It is interesting to observe that 55.0% of enterprises with less than 20 employees do not know any of the above tools, whereas these percentages go down as size increases, concerning only 31.6% of medium enterprises and 15.2% of large enterprises;
-  The initiatives in favour of the community (donations, sponsorship, etc) increase in connection with size. Particularly, experiences of social responsibility-related advertising and cause-related marketing are almost non-existent in smaller and small enterprises;
-  In their relationship with customers and suppliers, large companies require twice as much statements/certificates for their suppliers compared to smaller enterprises; in that case, values related to small enterprises are already considerably close to those of larger enterprises;
-  As far as environmental protection programmes are concerned, the growth connected with size is exponential – for instance, programmes of energy consumption reduction for the four business sizes (5.9%; 8.1%; 12.3%; 32.5%);
-  As far as the management of staff relationships is concerned, differences concern health care, activities related to spare time and communication tools;
-  For all management systems related to some CSR aspects the degree of adoption is very uneven between medium and large companies as pointed out by data concerning social statement (from 3.0% to 10.2%) and environmental certification (from 3.5% to 21.4%).

The limited commitment of small and very small enterprises can be explained by a number of reasons:

-  The interventions in favour of co-workers and the community, often carried out by the people in charge in these enterprises, are usually executed on a personal basis and according to unstructured means, thus making an objective observation impossible;
-  All life expressions of these enterprises are characterised by a low degree of formalisation;
-  Financial resources which can be invested in CSR activities are limited, therefore the range of noticeable actions is reduced;
-  If the channel of trade is made up of few companies for which a sub-supplier activity is carried out, initiatives promoting corporate image will not be so relevant.

The survey outlined the following areas in which smaller enterprises are active: ⁸

-  The tools expressing values and guiding principles are quite well-known (25.4% for smaller enterprises and 37% for small ones), as well as ISO 14001 environmental certification and EMAS membership (18.7% for smaller enterprises and 31.7% for small enterprises);
-  A large number of enterprises belonging to the first two business sizes makes money donations (25.3% and 41.8% respectively) and sponsorships (26.2% and 39.4%) on a regular basis;
-  A high percentage of enterprises requires from their suppliers a quality certification of the product/service (32.5% and 50.1% respectively) or adopts it directly (20.4% and 42% respectively);
-  Enterprises with 20-49 employees implement many practices in favour of employees: flexible hours (46.3%), meetings on a regular basis to present strategies and results achieved (58.7%), training for more than 20% of the staff (39.2%).

On one hand, the degree of satisfaction regarding the various CSR practices adopted- a certain prevalence of positive judgement by large companies is observed- presents above-average values in almost all cases.

On the other hand, two set of variables are observed: for some interventions/tools particularly demanding for companies (social statement, environmental statement, actions in favour of the community) the percentage of positive judgements is noticeably higher in large companies; with regard to initiatives this gap is very small or almost non-existent.

The high degree of satisfaction regarding CSR-related actions is confirmed by another piece of information: in most cases, enterprises which began the CSR activity intend to confirm their commitment for the future.

Over the last five years, requests of statements/certifications by customers experienced a linear and remarkable growth, showing the increasing importance of the supply chain ethical control (working conditions and hours, child labour, protection of female work, etc.)

In general, Italian companies show a positive attitude towards CSR. Enterprises seem to be engaged in socially responsible activities using several tools: specific programmes concerning social issues, sponsorships, donations, adoption of codes of conduct. Meanwhile, for several companies CSR is still an occasional topic, not closely related to the business strategy.



PORTUGAL

Portugal is ranked 21st in the "National Corporate Responsibility Index 2003" published by "AccountAbility", coming after the other 14 EU countries except Greece and just above Japan and the USA.¹⁴

In March 2000, the European Council approved the "Lisbon Agenda 2010", a strategy for economic, social and environmental renewal of the EU. Since then, new organisations dedicated to CSR appeared in the country and CSR experienced a significant boom. The topic is just emerging as an autonomous management discipline and remains a low priority for most business managers and owners.

Social and environmental reports are almost non-existent in Portugal. The real impact of CSR policies and programmes is seldom measured and the business case of CSR is yet to be of general acceptance.

Some of the large companies are beginning to integrate CSR into their overall business strategies, playing a much more active role in this field and actually committing themselves beyond legal compliance in both environmental and social areas. In those companies, top management, human resources, P&R and marketing are the most common departments in charge of CSR.

According to a study carried out by MORI on behalf of CSR Europe in mid 2000, the concept of CSR remains quite unfamiliar to common Portuguese citizens. However, 66% of them think companies should pay more attention to the subject. 20% would recommend a socially responsible company to others, 70% admit that a company's commitment to social responsibility might influence their buying decisions and one third would agree to pay more for an environmentally and socially responsible product.⁸

"Novadelta" became the first Portuguese company certified under the SA 8000 standard and was recognised as an international benchmark in the coffee industry.

During 2003, the Portuguese Social and Economic Council published an important opinion on CSR.

For the first time, a CSR Guide containing a list of social responsible companies and a description of their main social and environmental projects was cover story of a national reference business magazine. In May 2003, the "CSR Europe" road show meeting took place, organised by the brand new "Portuguese CSR Association" (RSE Portugal). Throughout the year, around 2 500 people - a real unprecedented figure- engaged in approximately twenty different events and the first few local research on CSR saw daylight.

Cause related marketing is still not significant, but it is growing relatively fast.

There are very few eco-labelled products in the market (43 different eco-labelled products, originated from 18 different companies, 8 of which are Portuguese made, coming from 4 different companies) and no social labels at all.

Informal economy is significant and in 2003, Portugal was rated 25th (same place as in 2002) in the Corruption Perception Index published by "Transparency International", above Italy and Greece and all new EU countries.

Portugal lies at the end of the EU 15 in some important ratios like per capita income, productivity, education level, lifelong training, and mortal labour accidents. In issues like education, it even comes behind all the new EU partners. Considering this particular situation, the internal dimension of CSR is even more important than in other EU countries.

Environment Legislation in Portugal is quite demanding, but non-compliance is significant. Although having signed the Kyoto Protocol, Portugal is far from being a good pupil at the EU level in fields such as the control of greenhouse effect gases, river pollution and the recycling of industrial and urban solid waste. At the end of 2003, 243 companies had ISO 14001 certifications and 14 were registered at the EMAS, a modest performance compared to EU 15 average.

Apart from the local branches of some multi-national companies, few Portuguese companies have written statements of vision and values, mission, business principles and codes of conduct.

Ethical funds are not yet available on the local financial market and only three companies are listed in International Social Indexes.

According to the Report 2002/No 4 of the Observatory of European SMEs, two thirds of the Portuguese SMEs actually practice some kind of external CSR, most of them in an informal way.⁹

Culture and sports are the main activities supported, followed by health and welfare. The most popular way of involvement is through donations, in cash or in kind, usually carried out on an ad-hoc or irregular basis. Portugal has the highest incidence of company donations among EU 15.



Corporate volunteering practices are scarce and concentrated in large companies.

According to the same report, the main reasons for SMEs to be externally socially active are ethics and the improvement of the relationships with the community/public authorities.

The main benefits identified are the improvement of the relationship with the community/public authorities (40%, the highest rate in all EU 15) and an increase in the customer loyalty, but many companies (36%) cannot identify concrete benefits. Existing barriers consist mainly in lack of awareness (especially among smaller companies), followed by lack of time and the idea that CSR external activities have no connection with the company business. Lack of financial resources is also important for the smaller companies.

Concerning environment responsibility, legal compliance, cost savings, better image and pressure from the customers are the main motivations for being active. The main obstacles identified are lack of human and financial resources, attitude and company culture and lack of awareness.

Attitude in general and lack of awareness in particular seem to be the common elements of both social and environmental aspects of CSR, especially at the SME level. These points reinforce the importance of implementing an information campaign concerning CSR in Portugal as well as developing training contents and training materials on the subject and diffuse them amongst the public in general and the SMEs managers in particular.

THE NETHERLANDS

The Netherlands is ranked 6th in the "National Corporate Responsibility Index 2003" published by "AccoutAbility", in which 51 countries are rated. ¹⁴

The bases of CSR in The Netherlands are the three P's of 'the triple bottom line' by Elkington; People, Planet and Profit.

In 2001 and then in 2003 the Ministry of Economic Affairs inquired 300 enterprises (large, medium and small enterprises) about how they handle CSR. The questions were focused on CSR and social commitment of enterprises. The topics were chosen as activities with a surplus for the enterprises and the society, to the core business and not obliged by legislation. ¹¹

It showed that CSR and the CSR-awareness of enterprises increased; from 51% to 72%. Sponsoring is one of the most important features of CSR; more than 50% of the Dutch enterprises support organisations.

CSR is also seen in the mission, vision and values of an enterprise; which can be found in the annual reports. This report is made annually together with the annual account. Many enterprises also make an annual CSR-report; this is not compulsory.

The Dutch policy concerning CSR is mostly based on the advice given in 2003 by the SER – Social Economic Counsel, after an extensive research. The essence of that advice is that CSR should be developed at 'the bottom'. This means that CSR is the primary responsibility of the enterprises and that the framework for CSR should derive from the social discussion between enterprises, NGOs, social organisations and the citizens of The Netherlands.

The Netherlands has ratified the ILO-convention and endorses the OECD-guidelines.

It is to be expected that CSR will get even more important in the future.

The Ministry of Economic Affairs would like to see an increase in transparency of enterprises concerning CSR.

There are a couple of CSR-awards in the Netherlands. In January 2003 the NIDO – National Initiative Sustainable Development and the Ministry of Economic Affairs initiated an academic research programme concerning CSR. The research will offer support to companies at the interpretation of their social entrepreneurship and will give insight to the society and the Government of what can be expected of enterprises in dealing with CSR. In 2003 there were nine important studies on CSR.

CSR gets a lot of media-attention, in the newspaper and television as well as in events and conferences.

In 2003 the "Corporate Governance Committee" published "The Dutch corporate governance code – principles of good corporate governance and best practice provisions". This code is one step forward in restoring the public's trust and confidence in the honesty, integrity and transparency of the management and operation of Dutch listed companies. According to this code, good corporate governance essentially revolves around efficient supervision of the management board and a balanced distribution of influence and power between the management board, the supervisory board and the general meeting of shareholders. The starting point of this code was the publication of 40 recommendations on corporate governance in 1996. It will be applied for the first time in the fiscal year of 2004. ¹⁷

According to the International Corruption Index (2003) The Netherlands is one of the "cleanest" countries in the world, rated on 7th place in the Index. ¹⁸

Many companies have certifications like ISO 14001, SA8000, OHSAS etc. but at this moment there is not an organisation which keeps track of all the certifications in The Netherlands.

Children from the age of 5 to 15 are obliged to go to school. The Government is promoting lifelong training and makes conditions and policy on this matter.

Methodical attention for labour conditions is rising. The reason is an increasing awareness of its importance and some changes in the Law of Labour Conditions. The Civil Law is also quite strict on health and safety for employees.

According to the Dutch constitution and the European convention for the protection of human rights, discrimination of all kind is forbidden. In addition to this The Netherlands participate in the EU-project EQUAL which fights discrimination on the labour market.

There are two big fair trade labels in The Netherlands and one other label is being developed. The aim of these labels is that producers of the products get an honest price for their products. Besides the fair trade labels there are some behavioural codes for different types of industry. These codes consist of rules on working conditions, conditions for buying, etc.

There are 39 different Eco-products available, but only 3 are produced in The Netherlands.

Environmental legislation in The Netherlands is strict; for the citizens as well as for the industry. The Dutch environmental-policy is to work towards sustainable development. Sustainable development has been made a main action point by the Government.

The base for sustainable undertaking was the report "Our common Future" by the UN (Committee Brundlandt). At this moment there are all sorts of funds like 'green'-investing, social and ethical-funds. In the most recent years funds which cover all aspects of sustainability have undergone the most considerable growth.

Quite a lot of Dutch companies are listed in social indexes like DJSI, FTSE4G and DSI.

In October 2003 the first Dutch social index was launched - the Kempen SNS Smaller Europe SRI Index. This index keeps track of the performances of smaller European companies which work according to sustainable criteria.

Since January 2002 "green" and social-ethical investment is made more advantageous by the tax authority.

Everyone living in The Netherlands for 50 years and turning 65 has the right to a pension. There is legislation on this matter and there are pension-funds for a supplementary pension.

The main reason for enterprises to be involved with CSR is the "social duty"; over 60% is involved because it is the right thing to do. Besides that it has to bring the enterprise profit. Having a CSR-policy will give the enterprise a better image towards the customers, suppliers and business partners, and this will lead to better publicity and more profit.¹¹


CSR still brings more profit to the companies than that is costs.

The main reason for not having any type of CSR-policy is the small-scale of the company (less than 10 employees). Another reason is that managers think their company does not involve CSR or just had not thought of it before.



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ANNEXES

Countries Overview Table



#	Main indicators	Year	Source	Unit	Average EU 15	Austria	Estonia	Hungary	Italy	Netherlands	Portugal
1	Population	2003	Eurostat	million	25,3	8,1	1,4	10	58,2	16,3	10,4
2	Surface	2003	Eurostat	km 2	93.033	88.945	44.100	93.030	301.263	41.526	92.391
3	GNP per capita	2003	Eurostat	EUR	19.181	27.760	3.256	4.063	19.080	23.390	9.170
4	Economic growth	2003	Eurostat	%	0,7	0,7	4,7	2,9	0,2	-0,7	-1,3
5	Public surplus/deficit	2003	Eurostat	%	-2,6	-1,3	2,6	-5,9	-2,4	-3,0	-2,8
6	Inflation rate	2003	Eurostat	%	1,8	1,1	1,3	6,5	2,5	2,1	3,3
7	Labour cost in industry	2000	Expresso (2)	EUR	22,2	24,3	2,8	3,7	18,3	24,1	6,9
8	Active Population	2001	Eurostat	%	64,0	68,4	61,3	56,5	54,8	74,1	68,8
9	Average weekly working time (full time workers)	2001	Eurostat labour force surveys / Geomedia(EE)	hours/week	39,8	40,1	40 (1)	41,0	38,5	39,0	40,2
10	Salaried workers with unlimited duration contracts	2002	EU labour force survey	%	87,0	92,5	n.a.	n.a.	90,1	85,8	78,1
11	Part time workers	2002	EU labour force survey / Stat. Office (EE)	%	17,7	18,5	8,5 (3)	n.a.	8,5	43,4	8,3
12	Female share in total work force	2002	EU labour force survey / Stat. Office (EE) / Labour Source Survey (HU)	%	43,2	44,7	49 (3)	49 (5)	37,9	43,7	45,4
13	Early school leavers not in further education or training	2001	Social situation in the EU 2003	%	19,4	10,2	14,5	13,2	26,4	15,3	45,2
14	Population 25-64 with complete secondary school	2003	Expresso (2)	%	65,1	78,2	87,5	71,4	44,3	67,6	20,6
15	Lifelong learning	2001	Social situation in the EU 2003	%	8,4	8,2	5,3	3,0	5,1	16,3	3,3
16	Unemployment rate	2003	Eurostat / Project partners	%	7,4	4,5	12,3	5,7	8,6	5,3	6,8
17	Long term unemployment	2001	Social situation in the EU 2003	% total unempl.	43	25	50	40	63	33	37
18	Inequality of income distribution	1999	Social situation in the EU 2003	Ratio	4,6	3,7	6,3	n.a.	4,9	3,7	6,4
19	Gender pay gap in unadjusted form	1999	Social situation in the EU 2003 / Stat. Office (EE)	%	84	79	73 (3)	n.a.	91	79	95
20	Serious accidents at work (w/ more than 3 days absence)	2000	EU labour force survey	Standard incidence rate per 100.000	4.016	3.056	n.a.	n.a.	4.049	4.095	4.863
21	Fatal accidents at work (excluding road traffic & transport)	2000	EU labour force survey / Labour inspectorate (EE)	Standard incidence rate per 100.000	2,8	5,1	5,9 (4)	n.a.	3,3	2,3	8

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