Europe's electricity companies and Corporate Social Responsibility

New first ever <u>report</u> finds that European Works Councils are poorly informed and consulted on their company's CSR policies

Joint EPSU - SOMO full Press Release - 9 June 2010

European Federation of Public Service Unions (EPSU) -Stichting Onderzoek Multionationale Ondernemingen (SOMO)

The <u>report</u> is published on the occasion of the final meeting of EPSU (and SDA) project on Learning and practicing – a project for the European Energy sector by which EWCs compared their work and methods. All energy company EWCs were involved. The meeting took place 8 June 2010, Brussels. Over 25 EWC representatives participated.

This new report:

- Looks at the European electricity company and their formal CSR policies and the role of the European Works Councils (EWCs).
- All major companies are included such as EDF, ENEL, EON, Fortum, GdFSuez, Iberdrola, RWE, Vattenfall, Veolia.
- The companies represent close to a million workers and generate half a trillion euros in revenues.
- And while most companies have recognized international CSR standards there are still some that have not.
- Of the companies that do have CSR policies only a limited number endorses all recognized international standards.
- Fewer still do report according to the international reporting standards for the electricity industry.
- The report includes the results of a survey of European Works Council representatives. They indicate that they are poorly informed and consulted on the companies' CSR policies.
- There is a better involvement of EWCs and trade unions when there are negotiated

CSR agreements such as in EdF

- The report therefore indicates the gap between formal polices and proper implementation involving all stakeholders.

The report ends with a set of recommendations for EWC representatives and trade unions. EWCs play an important role in monitoring if the CSR policies for example on respect for social rights by suppliers and sub-contractors are not just a piece of paper but actually are implemented and enforced.

EPSU's Deputy General Secretary Jan Willem Goudriaan: "Not all companies provide the transparency required. A more binding framework or legislation on disclosure of information on environmental, social and governance issues is needed." He added: "The European Commission should demand that the electricity companies have a CSR policy as part of its procedures to award any funds to the companies. The report shows that this is not a problem for most companies but a small minority does not play by the rules."

EPSU will urge the European electricity industry to engage in respecting the voluntary standards. The joint agreement between the unions and Eurelectric can be built upon. EPSU will discuss with the EWC representatives how to improve the engagement in the CSR policies of the companies.

SOMO's Joseph Wilde-Ramsing argues: "While it is positive that many companies have a formal CSR policy, the research shows that workers as a key stakeholder are not involved. The European Works Councils are not given much information and even less room for discussion on CSR policies. They further lack the resources to effectively implement their company's CSR policy. Without a key role for the workers to do this, CSR policies risk being empty of content".

Richard Howitt MEP, the European Parliament Rapporteur on Corporate Social Responsibility said:

"Reporting clearly on the environmental social and governance standards of a company is not just about public relations or window dressing but must be part of an integrated process which keeps workers thoroughtly involved and fully informed through European Works Councils on the values, performance and ethical standards of the company. It has been proven time after time that companies in whatever sector with better track records on responsible business practice have better staff retention

and better productivity. The message of this report for the energy sector is clear, you need to step up your game and fully recognise that CSR is not just done by management but is done by a coalition of management, worker and stakeholders in unison."

- Background
 - Background CSR PR 9 June
- Wire press release
 - PR 9 June WIRE EN
 - 2010 9 June WIRE FR

The report can be found below (Executive Summary available in: EN, DE, FR, CZ IT)

For the joint statement between the European trade unions and European electricity employers: www.epsu.org/a/5343

For more information on the Corporate Policies of Europe's energy companies www.epsu.org/a/5660 or www.psiru.org

Final Report (EN only)

• EWCs and CSR final report - EN

Executive summary (EN/FR/DE/CZ/IT)

• Executive summary - EN

- Executive summary FR
- Executive summary DE
- Executive summary CZ
- Executive summary IT

EPSU - European Federation of Public Service Unions

Contact: Jan Willem Goudriaan

Tel: + 32 (2) 2501080 E-mail: epsu@epsu.org

Website: www.epsu.org

SOMO - Stichting Onderzoek Multionationale Ondernemingen Centre for Research on Multinational Corporations

Contact: Leontien Aarnoudse

Sarphatistraat 30 1018 GL Amsterdam The Netherlands

Tel: + 31 (20) 6391291; Fax: + 31 (20) 6391321

E-mail: info@somo.nl

Website: www.somo.nl

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