



EURELECTRIC / EPSU / EMCEF JOINT POSITION

on

THE SOCIAL ASPECTS OF CORPORATE SOCIAL RESPONSIBILITY in the EUROPEAN ELECTRICITY INDUSTRY

EURELECTRIC / EPSU / EMCEF
Joint Position on
The social aspects of Corporate Social Responsibility

The social partners in the European electricity industry, represented by:

EURELECTRIC for the employers

and

EPSU and **EMCEF** for the trade unions

agree the following joint position:

Given its economical and societal role and the impact of its activities; adequate CSR policies are of great importance for the European electricity industry.

In 2004 the social partners agreed on a framework defining their further activities related to CSR policies. In 2006 they launched a study (funded by the Commission - further referred to as the ECOTEC study) and organised a conference on CSR policies in the electricity industry. A report was published in December 2007.

In the past the social partners have also produced a number of studies and published joint statements on issues related to CSR such as: equal opportunities & diversity, skills needs and health & safety. Moreover, two more studies (funded by the European Commission) have recently been finalised: one on demographic change and another on restructuring in the electricity industry.

The ECOTEC study "*Describing developments in the European electricity sector – Drivers for change: Corporate Social Responsibility*" provides a background on CSR policies of European and international institutions, indicates key factors in the success of CSR policies, details a number of case studies and suggests recommendations for companies developing CSR policies (the report can be downloaded from the Social Partner's websites)

The social partners recognise that CSR is a broad concept, encompassing economic, environmental as well as social issues. According to the EU CSR Green Paper Definition (18-7-2001) "CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis".

By demonstrating their social responsibility and voluntarily taking on commitments which go beyond common regulatory and conventional requirements, which companies would have to respect in any case, the social partners note that this would entail the need to monitor standards of social development, respect for fundamental rights, embrace open governance, and reconcile the interests of various stakeholders in an overall quality driven approach.

Moreover, social partners recognise that CSR is based on a positive attitude of management towards trade unions and on commitments by both parties to contribute to companies' and the industry's long term security, competitiveness, high quality of service and economic, socially responsible and environmental sustainability in a European and global environment.

In particular, the social pillar of CSR policies are cited in international charters and conventions and generally accepted standards such as the Council of Europe's Social Charter, the ILO tripartite declaration on guidelines on multinational enterprises, the OECD guidelines on multinational enterprises and the UN Global Compact (see annex 1 for more detail). The social partners agree that any activity dealing with social aspects of CSR policies should take these standards as a point of reference, with CSR policies being the subject of discussion between the social partners in accordance with their national laws, traditions and practices. The toolkit reflects this diversity. Concerning CSR reporting, the social partners agree on the following key areas, as identified by the ECOTEC study:

ef
Social Dialogue – including employee participation in the company, employee satisfaction, trade union recognition and collective bargaining.

Personnel – dealing with staff numbers and breakdown in different categories (such as gender, age and skill levels), staff turnover, training and access to training.

Health and Safety – comprising the internal (training of staff, accidents, illness and prevention) and external dimensions (impact on the community).

Community Relations – relating to consultation on the development of new sites, relations with NGOs and other organisations, information centres for users and citizens and funding for sport, culture, arts, etc.

Education approach – including support for schools and the community in general, and, in particular, for disadvantaged persons.

Equality and Diversity - linked to codes of good conduct and ensuring compliance with equal opportunity policies and principles.

The social partners support the recommendations of the ECOTEC study as to the critical factors in the development of CSR policies. Any CSR policy must be fully integrated within the organisation. This requires compliance with the following critical factors:

- Commitment from senior management, board members and other key members of staff, is the only guarantee for the effective implementation of a CSR policy.
- The involvement of stakeholders such as trade unions, customers, employees and shareholders is vital in developing adequate CSR policies. Only customers can fully understand their own needs, and employees and their representatives are best placed to give advice on what constitutes a good working environment.
- Ensuring employees are fully integrated into the process. When CSR becomes fundamental to daily working practices, a policy has a better chance success.

- For multinational corporations, CSR should be approached as a global exercise, whilst remembering that different localities have different needs. In many of the cases reviewed in this study, the over-arching principles for CSR have been set at a central level, while autonomy has been given to subsidiaries to implement relevant policies for their region. This maximises benefits to the community.
- Multi-national corporations should encourage the sharing of best practice across the group. This allows for greater innovation in CSR activities and more enthusiasm in its implementation.

The social partners have closely followed the development of the GRI Electricity Utility Sector Supplement to the G3 reporting indicators. The proposed supplement (published in April 2009) includes numerous additional benchmarks important to the electricity industry. Reporting on the basis of these indicators will ensure that the electricity industry will continue to contribute to socially responsible and sustainable development and ensuring the well-being of citizens. The GRI supplement is currently being tested. European electricity companies are encouraged to understand the indicators. We recommended they become a reference standard for the electricity industry in developing CSR policies.

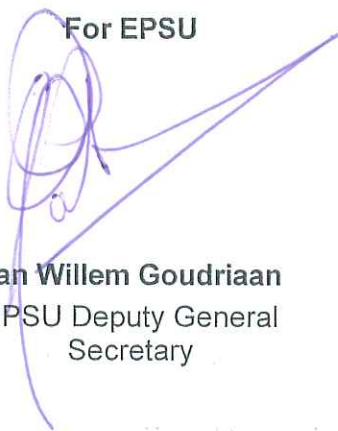
Finally and more widely, the Parties consider sustainability fundamental to all companies' strategies. They are deeply convinced that the creation of value for shareholders does not conflict with the pursuit of environmental, economic and social objectives.

On the contrary, they believe that competitiveness and the success of a business are inevitably linked to the ability to make companies' activities sustainable.

Additionally the social partners of the electricity industry recommend that companies in developing and reporting on CSR policies take into account the recommendations of the joint statement and toolkit on equal opportunities and diversity and the future toolkits on restructuring and demographic change.

Finally, the social partners agree to reflect on the development of CSR policies in the European electricity industry in 3 years time to consider further activities to develop adequate CSR policies for the industry.

For EPSU



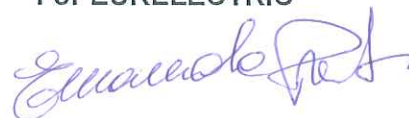
Jan Willem Goudriaan
EPSU Deputy General
Secretary

For EMCEF



Bernd Frieg
President of the Electricity Social
Dialogue Committee
(for EMCEF)

For EURELECTRIC



Emanuela PREITI
Vice-President of the Electricity
Social Dialogue Committee
(For Eurelectric)