



### What is Corporate Social Responsibility (CSR)?

Corporate Social Responsibility (CSR) is demonstrated by a company voluntarily integrating into its business operations behaviors and principles that meet stakeholders' expectations with regard to society and the environment. CSR is therefore not a new development. Companies have been engaging constructively in communities for as long as there have been companies. CSR activities continue to develop as society evolves. Today, there are numerous CSR instruments, initiatives and frameworks that companies can use.

Businesses assume their commitment to conduct themselves responsibly under diverse conditions: the responsibility of a multinational enterprise operating around the globe is completely different to that of a local bakery, for example. The CSR challenges faced by an IT firm differ from those of a business in the oil industry. The type and structure of a company's commitment to society therefore depends on its size, as well as the sectors and markets in which it operates.

Through CSR activities, companies can make an important contribution to sustainable development. However, in this context, the division of roles between governments and companies needs to be clearly delineated. Companies' commitments can complement the efforts of government towards the development of society, as well as towards environmental and social progress, but cannot be a substitute for the State. Moreover, the implementation and enforcement of fundamental environmental and social standards cannot be delegated to companies.

### Why is CSR relevant for business?

With ever increasing globalisation, CSR has become an important and prevalent theme around the world. It is commanding more space in the media; consumer organizations are increasingly demanding information on production conditions and routes to market; non-governmental organisations (NGOs) and trade unions are approaching companies with requests and demands regarding their commitment to society; suppliers are increasingly being met with CSR engagement from their corporate customers. Politicians have also discovered CSR as an area for policy-making.

Companies have risen to the challenge of meeting the requirements of stakeholders, whether corporate customers, consumers, or the communities in which they operate. This is important with regard to the reputation of a company, including its ability to secure and maintain its place in the supply chain. Moreover, initiatives as the UN Global Compact for instance require member companies to report to stakeholders their progress in implementing the ten principles of the Global Compact, and the OECD Guidelines for Multinational Enterprises enable NGOs and trade unions to bring a complaint to national contact points where they believe a company has not correctly implemented the Guidelines. Apart from ethical reasons, there is therefore also a business case for companies to be aware of CSR developments and trends.

## What is the IOE position on CSR?

CSR is business driven. In order to be successful, companies must be able to gear their activities to the needs of their stakeholders and their own circumstances. There can therefore be no “one-size-fits-all” standard or binding framework. Companies must be able to develop and implement the best CSR approaches for their individual situations.

Companies cannot assume the responsibilities of government. In the first instance, the relevant political authorities must legislate for, and enforce, human rights as well as fundamental social and environmental standards. There must therefore be a clear dividing line between the responsibilities of companies and those of policy-makers in order not to raise expectations of companies inappropriately.

Providing forums for the exchange of experience and practical support for companies are the best way to promote CSR. This support must be easily accessible, particularly for small and medium-sized companies.

## How does the IOE’s work on CSR advance the agenda for business?

- The IOE interacts with the ILO, the European Commission, ISO, the UN Global Compact and UN human rights institutions to ensure that CSR maintains its voluntary nature, and that companies continue to have the opportunity to exercise discretion in shaping their commitment to society according to their individual needs.
- The IOE informs its members about developments and trends in CSR through regular communications, a CSR newsletter and postings on our website, and assists them in giving support to their company members.
- The IOE provides companies with support and practical advice for shaping and communicating their commitment and promotes the exchange of best practice and experiences.

## More Information and Answers to your Questions

Please visit the [CSR section of our website](#). If you do not find what you are looking for, please contact Matthias Thorns (thorns@ioe-emp.org / 004122 929 00 21) or Amelia Espejo (espejo@ieo-emp.org / 0041 22 929 00 19).