



CSR AUSTRIA

Wirtschaftlicher Erfolg mit  
gesellschaftlicher Verantwortung

# GUIDING VISION

➤ Economic Success. Responsible Action.

CSR Austria is an initiative by



## AUSTRIAN BUSINESSES RECOGNISE SOCIAL RESPONSIBILITY



“Economy and society are interdependent. An efficient economy constitutes a base for the realisation of personal or societal needs and desires. Ideally successful and sustainable business occurs in a society free of conflicts. Mutual trust among economy and society, in between businesses and citizens is vital to a badly needed economic upswing. The following guiding vision “Economic Success. Responsible Action”, created by an open and fruitful dialogue with civil society, offers Austrian enterprises an orientation for coming societal challenges.”

*Peter Mitterbauer, Federation of Austrian Industry*



“Apparent changes lying ahead make the notion “business as usual” obsolete. Turbulences and uncertainties call for an orientation for future challenges. This guiding vision gives an idea of the vital contribution economy offers to humanity. Integrated ways of thought are necessary. Merely a healthy economic base will enable us to live up to socio-political values and to assume responsibility for a favourable development in Austria.”

*Christoph Leitl, Austrian Chamber of Commerce*



“Transparency and evident commitment towards responsible action is increasingly demanded throughout society. For managers and entrepreneurs this is a new challenge: who aims at acting intelligently more than ever acts with responsibility this becoming apparent to his and her target group. As a Minister of Economic Affairs I am proud that the following guiding vision emphasises the Austrian economy’s leading position in this respect.”

*Martin Bartenstein, Minister for Economic Affairs and Labour*

**The concept of responsible entrepreneurship stands for companies that exercise their activities in a manner to promote economic growth, to increase competitiveness and at the same moment to act environmentally sound and socially responsible.**

## Social responsibility means ...

### ... successful economic action:

- ›› reliable and trustworthy
- ›› long-term, value-oriented decisions
- ›› fairness in a competitive environment
- ›› playing a role model

### ... involving others:

- ›› employees are partners
- ›› promoting social integration
- ›› taking into account the concerns of stakeholders
- ›› helping to improve the situation in other countries

### ... orientation towards the environment and the future:

- ›› observing the precautionary principle
- ›› economic solutions for ecological challenges
- ›› taking consumer interests into account
- ›› encouraging sustainable development at global and regional levels

### ... a committed implementation effort:

- ›› adopted principles are a frame of reference
- ›› transparency through information policy
- ›› cooperating in a spirit of partnership
- ›› further development of promising measures

## TALKING TO EACH OTHER. UNDERSTANDING EACH OTHER.

From September to December 2003 business representatives met representatives from diverse social groups in order to engage in intense dialogue. Together with social partners, international organisations and NGO's (non-governmental organisations) entrepreneurs and their representatives discussed numerous dimensions of corporate social responsibility. This series of constructive talks forms the fundament of the present guiding vision for Austrian businesses: "Economic Success. Responsible Action."

## ECONOMIC SUCCESS. RESPONSIBLE ACTION.

### **Economic success by social responsibility.**

By endorsing this principle Austria's business community acknowledges its economic, social and ecological responsibility and thus the system of social market economy, with the entrepreneurial goals to create prosperity, support social cohesion and preserve a healthy environment.

**Orientation.** In times of great social change it is of particular importance to provide orientation. An effective, acknowledged framework of orientation is needed to ensure fair conditions and to promote a sustainable development for Austria's economy.

**Dialogue.** A cooperation of social organisations with political actors and the business world will strengthen dialogue, which is indispensable for orientation. Time and again, Austria's way of social partnership has proved its worth as an effective instrument for promoting economic success and social cohesion, which brings about social peace and high environmental standards. At the level of companies the dialogue between employers and employees is a well-established part of Austrian corporate culture.

**Social responsibility.** As a management approach, corporate social responsibility (CSR) integrates into corporate strategies all fields of sustainability. In order to be viable, the principle of social responsibility has to be adapted to the specific situation of individual companies. In this way they will be able to face the challenge of globalisation and social change.

**Sustainability.** By respecting the principle of corporate social responsibility, Austria's companies contribute to implementing a strategy of sustainability by the Austrian Federal Government. The principles presented here are based on numerous international agreements to which Austria has subscribed, for instance the Lisbon strategy of the European Union and the OECD Guidelines for Multinational Corporations. This voluntary commitment on the part of the companies and their managerial staff shows the willingness of the Austrian business community to assume responsibility also beyond what has been achieved so far.

**Responsibility will take effect.** Responsible action will help to reduce prejudice and create a positive basis for entrepreneurial action. It will enhance the confidence between the business world and civil society. Corporate social responsibility will have benefits for both small enterprises and multinational corporations.

- Corporate social responsibility is a signal by companies towards stakeholders. By demonstrating transparency and participation they will build confidence.
- The confidence of customers is strengthened and customer retention is promoted.
- CSR increases staff motivation, which helps companies enjoy an essential edge in the competition for top-rate employees.
- Entering into dialogue with stakeholders will reduce the risk of companies.
- Investors, owners and shareholders appreciate responsible enterprises as they stand for security and represent value increase potentials.
- Corporate social responsibility will improve the image of companies and underpin their market positions.

## THE GUIDING VISION AND YOUR COMPANY

The “Initiative CSR Austria” aims at achieving two goals: Firstly to make evident how Austrian businesses work for state and society. Secondly to motivate entrepreneurs to intensify their efforts to that effect and at the same time to encourage them to communicate these efforts to a broader public. Both goals combine the conviction that economic gains and responsible actions do not constitute a contradiction. On the contrary: in this combination Austrian companies gain an advantage of location.

On the road towards these goals the guiding vision “Economic Success. Responsible Action.” functions doubly as an orientation:

- once to evaluate and define social responsibility for businesses,
- but also to enable the development of company’s proper models and strategies.

The initiators of this project would feel proud if you:

- make the guiding vision part of your strategy and implement it accordingly.
- engage yourself in the CSR-Initiative and herewith take on a leading position within society.

A first step could be to make your corresponding project or your relevant focus known to the initiators of “CSR Austria”.

Your contribution and your company will be referred to on our homepage [www.csr-austria.at](http://www.csr-austria.at).

Naturally we will furthermore keep you informed on newest developments, tools and events concerning corporate social responsibility in business environments.

- **Further informations:**  
[www.csr-austria.at](http://www.csr-austria.at)

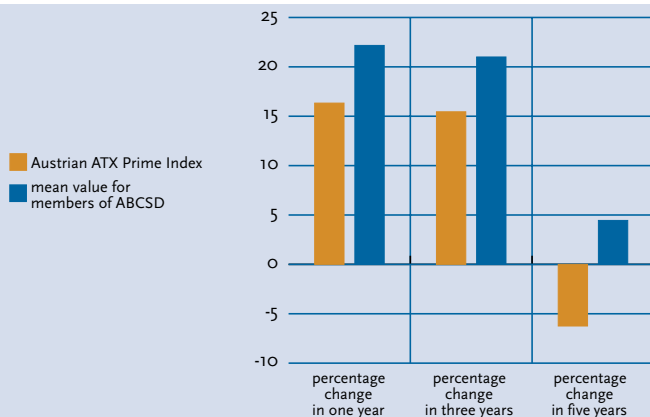
## SUCCESSFUL ECONOMIC ACTION

**A cornerstone.** Economic success is the basis of social cohesion and also of a desirable environment. It is profitable companies that provide the goods and services necessary for leading a secure and prosperous life in dignity. Enterprises have to be competitive, innovative and profitable to be able to perform this task. Responsible, future-oriented companies strive for consistency in their economic goals with responsibility for society and for the environment. They use their innovation potentials and entrepreneurial capabilities for their own benefit and for the benefit of their stakeholders.

### Reliable and trustworthy

**To the interest of all.** In addition to clearly defined economic goals, companies also consider the interests of owners, shareholders and employees. Moreover, they acknowledge public interest as an important value. Reliability, mutual respect, quality and confidence form the basis of profitable business relations. These four pillars are the cornerstones of staff motivation and customer retention. Companies will generally act in accordance with an existing legal framework and with the principle of good corporate governance. In this context the Corporate Governance Code may serve as an orientation that provides helpful approaches not only for listed companies.

**Responsible companies respect the principles of good corporate governance.**



## SUSTAINABILITY PAYS OFF

Over three-year and five-year periods, all regions analyzed demonstrate an outperformance of WBCSD member companies compared to the relevant market indices. Outstanding performance has been achieved by member businesses of the Austrian Business Council for Sustainable Development (ABCSD) quoted at the stock exchange. Evaluated over a five year period noted companies managed significantly better at the Viennese Stock Exchange: while members of ABCSD improved by up to four percent total market shares went down by six percent – a clear signal proving once more that responsible action pays off.

Source: Sustainability pays off, Kommunalkredit Austria AG, August 2003

### Long-term, value-oriented decisions

**Growing values for a secure future.** Sustainable economic success will bear fruit: it is the prerequisite for a strong position in labour and financial markets. Therefore entrepreneurial action is not primarily oriented towards short-term profit but towards long-term value, and thus towards securing the future profit of the company.

**Responsible companies invest in long-term sustainable growth.**

### Fairness in a competitive environment

**Fair play.** Companies endorse compliance with rules and regulations and thus take active steps against corruption, which promotes legal security and strengthens democratic structures. Companies consider the social situation at local and regional levels when taking decisions. They show fairness also with regard to business, marketing and advertising practices.

**Responsible companies base their business relations on mutual respect and fairness.**

### Playing a role model

**Showing how it can be done.** Companies act as models in their roles as business partners, customers or clients, suppliers or competitors. As role models they use the chance to have influence on business partners or in other areas of society: for instance they may promote the compatibility of family duties with paid employment, raise ecological awareness or stand up against discrimination.

**Responsible companies aim at cooperation with partners on a basis of trust.**

## INVESTORS OBSERVE RESPONSIBLE ACTION

CSR performance of businesses is of increasing interest for investors' decisions. A gain in competitiveness can be achieved by socially responsible action through companies. The understanding of CSR by investment specialists is by far stronger than formerly assumed. In four years at the latest investors will not be taking decisions without considering for social and environmental aspects.

*Source: INSEAD, 2003*

## INVOLVING OTHERS

Social responsibility starts within a company. Working with employees in a spirit of partnership or pursuing activities to integrate disadvantaged groups with a company will strengthen social cohesion. This will consolidate social standards not only for a company but for society in general. Austria's companies are aware of their responsibility in this field, even if they operate in countries that do not have similar regulations. Aiming at economic and social advancement, they cooperate as partners with several stakeholders: owners and shareholders, employees, employee representatives and customers, neighbours and public authorities, non-profit organisations, NGOs, the media and the general public.

### Employees are partners

**A core value.** Companies whose corporate culture is based on partnership are attractive employers; job satisfaction is increased and employees more strongly identify with the company, which in turn can increase efficiency. Thus employees are a core value for any company. Corporate culture may show in many different ways: what has utmost priority is high quality of life and protection of employees as well as their physical, psychological and mental well-being. The right of employees to join interest-representing bodies is recognised as a matter of course. Central social challenges in this context include ways to reconcile family work and paid employment, drawing up and organising education and further training schemes as well as measures of life-long learning, and eventually workplaces adapted to the needs of elderly or disabled employees. Voluntary commitments in these fields improve a company's position in the competition for competent, motivated workers.

**Responsible companies treat employees as partners, which is an essential basis for economic success.**

## FOCUSING ON PEOPLE

- » » "The race for the brightest heads is intensifying: Figures of labour force are steadily on the decrease, a loss of 560.00 people in work has been calculated for 2030."  
*Survey by the Austrian Chamber of Commerce, 2001*
- » » "Companies that live up to values have highly motivated employees that stay for longer periods of time."  
*Dearlove & Coomber, Corporate Values 2001*
- » » "Customer binding through socio-political measures of businesses have gained relevance: an international survey proves that 70% of consumers consider socially responsible actions by producers when buying goods."  
*MORI 2001*

## Promoting social integration

**No discrimination.** Social and ecological approaches frequently open up new opportunities when companies meet the challenges of social change. They have the chance to maintain social achievements and at the same time improve their competitive strength. Therefore Austria's companies endorse social integration, social justice and equality. They particularly focus on equality of women and men at all levels. Of course, the companies also stand up against other forms of discrimination: discrimination against disabled persons, minorities and ethnic groups, discrimination because of place of origin, age, sexual orientation, political position or religion. Furthermore, Austria's companies attach specific importance to the integration of non-Austrian citizens and of young people, for instance by providing adequate workplaces for them.

**Responsible companies are committed to an open society and recognise its diversity.**

## Taking into account the concerns of stakeholders

**To the interest of all.** When pursuing economic goals Austria's companies consider the concerns of local stakeholders. They enter into dialogue with them to find valuable solutions for both sides and thus contribute to the preservation of social peace. They take an active part in community issues, and encourage social activities of their employees as far as possible by promoting social, cultural and ecological activities as well as sports and education programmes.

**Responsible companies consider the concerns of many different stakeholders, in conformity with their role in society.**

## Helping to improve the situation in other countries

**Committed across borders.** Austria's companies ensure humane working conditions at all locations. They show respect for regional cultures, socio-cultural traditions and the rights of indigenous populations. In practice this means that they implement the relevant international standards and conventions such as the ILO core labour standards, the OECD Guidelines for Multinational Corporations and the OECD Anti-Corruption Convention. The companies respect human rights, they comply with any local regulations and stand up against child labour. Companies committed to their responsibility take care that their business activities will have benefits for the

local population and economic development in regions concerned. Furthermore they encourage partners to adopt comparable standards. In countries where such standards are still under development, they provide assistance, within the bounds of possibility, in defining social and environmental standards in line with international conventions.

**Responsible companies take efforts that have effects beyond the limits of their premises and national boundaries.**



## ORIENTATION TOWARDS THE ENVIRONMENT AND THE FUTURE

**Today's responsibility for tomorrow.** Austria's companies are aware of their responsibility also with regard to future generations. They document this by adopting entrepreneurial practices that aim to ensure the preservation of natural resources and the diversity of species and habitats. Production factors are used efficiently and in a way that spares natural resources to the best possible extent, in particular by preferring renewable raw materials and energy sources. In this way the companies support the implementation of the Johannesburg Resolution – and also their own economic profitability: providing innovative products and services is to the benefit of both their customers and the environment.

### Observing the principle of providing for the future

**For our environment.** The economic activities of Austria's companies are based on the knowledge of the unique character of our natural environment. They take initiatives to identify ecological problems at an early stage in order to account for them in their decisions and to find adequate solutions. These initiatives in particular aim at preventive air and water pollution control, ecological land use, high safety standards for operations involving hazardous goods and substances, consideration of ecological aspects in product design, systematic reduction of pollutant emissions as well as avoiding toxic substances to the best possible degree.

**Responsible companies observe the polluter-pays principle and regard it as a central part of their business activities.**



# FIELDS OF ACTION FOR SOCIAL RESPONSIBILITY

## Economic solutions for ecological challenges

**An economy of reason.** Environmental challenges may also efficiently be met through market mechanisms and business-oriented approaches. Developing and disseminating ecologically and economically efficient technologies may result in a sparing use of natural resources, reduce environmental damage, help to save costs and open up new fields of business. Mobility management at the corporate level and use of local resources may reduce traffic and thus essentially contribute to the prevention of climate change.

**Responsible companies use innovations to increase ecological and economic efficiency.**

## Taking into account the interests of consumers

**Fair business.** Austria's companies aim at fair business, marketing and advertising practices also vis-à-vis final consumers. They adopt reasonable measures that ensure the safety and the quality of goods and services they provide. They take into account the entire life cycle of these products. They aim at safe use, good repair potential, long product life and strong recycling possibilities of these goods.

**Responsible companies take into account the entire product cycle of their goods.**

## Encouraging sustainable development at global and regional levels

**Global responsibility.** Austria's companies assume global responsibility by making sure that their activities have positive environmental effects also in other countries. They adhere to local safety and environmental regulations. They endeavour to apply recognised state of the art methods at all locations all over the world. In those countries where safety and environmental regulations are still under development they bring their own environmental measures in line with international standards. Sustainable development, in addition to environmental protection, also includes respect for the interests of human beings and the social systems of other countries as well as the concerns of future generations.

**Responsible companies are aware of global interdependences and consider the interests of future generations.**

## SAVING WITHOUT LOSING

Year by year approximately 750 billion euro of operating costs in Germany are spent on materials and on energy consumption. 10 – 20% of these costs could be saved without losing added values according to a survey by the Wuppertal Institute and Arthur D. Little. This potential rests unseen far too often in economisation.

*Wuppertal Institute for Climate, Environment and Energy GmbH, 2003*

# A COMMITTED IMPLEMENTATION EFFORT

## **Assuming responsibility and taking initiative.**

Companies that take social responsibility seriously endeavour to implement relevant principles and plan in a consistent way. This starts at the level of a company's own practices, which are systematically examined in regard of these principles. As a next step a company's position in society is analysed, and eventually reflects in corporate strategies and their implementation. It includes dialogue with central stakeholders at every level – seen as an opportunity for mutual learning.

## **Adopted principles are a frame of reference**

**Responsibility as a strategy.** Company leaders realise that corporate social responsibility is a strategic task: they draw up principles that clearly define responsible action in business contexts and that are tailored to the specific situation of their enterprises. These principles serve as a frame of reference for managerial staff and employees. What is helpful for orientation in this process, in addition to this mission statement, are international guidelines such as the OECD Guidelines for Multinational Corporations, national and international industrial initiatives such as Responsible Care of the chemical industry of Austria or the code of conduct by the European sugar industry.

## A COMMITTED IMPLEMENTATION EFFORT

### Transparency through information policy

**Proactive openness.** Austria's companies pursue transparent reporting policies that go beyond mere financial aspects but relate to the company as a whole, including ecological and social issues. In this context sustainability and social reports have been of particular worth, as they may be used for both internal evaluation purposes and public presentation.

### Cooperating in a spirit of partnership

**Active partners.** Austria's companies acknowledge their responsibility towards society by entering into partnerships with various stakeholders, which is also profitable for business. This especially applies to the fields of education and training, projects for children and young people, regional development models, ecology projects and development cooperation. Corporate responsibility also includes commitment to social advancement at the company's location and in areas served by its suppliers.

### Further development of promising measures

**Clear and effective.** Companies acting in a spirit of corporate social responsibility ensure that their commitment will show clear-cut effects. This plays an essential role for the companies' success and credibility both within the enterprise and vis-à-vis external stakeholders, and increasingly often in the context of financial markets. This commitment may be evaluated and advanced by various methods of self-audit, in which, depending on the situation and topics involved, employees and their representatives and even other stakeholders may take part. In addition to this a wide range of other well-established methods such as the Global Reporting Initiative are available.

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