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EU Communication on Corporate Social Responsibility and the effects on national and corporate sustainability agendas

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Abstract: Recent EU communications on sustainable development goals have declared how corporations should respond to political and societal demands through socially responsible business practices. Corporate social responsibility (CSR) has become a more widely used and controversial term, which attempts to cover business involvement on meeting social and environmental requirements. We discuss how the EU communication affects corporate policies on CSR in the light of sustainable development. The most recent steps that the EU Commission has made on CSR are traced, and its reflection on national and corporate levels are discussed. This study will focus on companies in three European countries, namely Hungary, Germany and the United Kingdom. Furthermore, three companies were selected from each country in the Oil & Gas and/or Energy industry sectors to observe how certain policies have been adopted and influenced corporate behaviour (as seen in financial reports and CSR reports). The companies' CSR policies will be evaluated according to Welford's (2005) 20 elements of CSR, which are based on similar communications of international codes and conventions, such as the ILO convention, and UN Global Compact that the EU Commission has adopted.

Keywords: Sustainable development, Corporate Social Responsibility (CSR), European Commission, Germany, Hungary, United Kingdom

1. Introduction

The concept Corporate Social Responsibility (referred to as "CSR") was introduced in academic articles in the United States dating back to the 1950s. It has developed over the years and has moved from academic institutions into the board rooms of multinational corporations. In the light of pressures from globalization, media coverage and growing awareness of social and environmental issues, many multinational companies have adopted CSR principles to address

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these concerns and create a higher level of transparency in the marketplace.

The major authors developing CSR have taken different views and created an extensive debate on the subject. On the one hand, proponents like Carroll (1991) state that companies should take on responsibilities that exceed legal and economical requirements. Specifically, they should extend responsibility to include both ethical and philanthropic responsibilities: "the CSR firm should strive to make a profit, obey the law, be ethical and be a good corporate citizen" (Carroll, 1991: 43). On the other hand, opponents argue that corporate managers are only accountable to the company's shareholders. Economists such as Milton Friedman (1970) contest that businesses cannot accept equivalent responsibilities like citizens do. Beyond this debate, many academics agree that the relationship between business and society is reciprocal. In the greater view of systems thinking, business can affect society just as well as the society can affect a business. No matter what stance a company takes on CSR, social norms may constrain a business in serious ways (Frederick, 1986). Therefore, many companies have integrated CSR in their business conducting practices.

In fact, many academics and businessmen are in constant pursuit of "making a business case for CSR" (Blowfield and Murray, 2008: 131). This implies that they seek to demonstrate a positive correlation between CSR and financial performance, and so give legitimacy of social and environmental activities in mainstream businesses. Many multinational companies incorporate CSR issues in their communications, such as reporting in accordance to the guidelines of the Global Reporting Initiative (GRI) as well as in its strategic approaches to businesses. CSR activities have been used to reduce costs through resource efficiency and waste reduction, and have given many companies a competitive advantage over others in its industry. These voluntary initiatives have spurred many political interests in Europe and worldwide.

This paper will discuss the political and business initiatives of three member states in the European Union regarding CSR, namely Germany, Hungary and the United Kingdom. After a review on European Commission policies on CSR, the focus of this paper will shift to national commitments to CSR to determine how these selected countries have implemented the EU policy and recommendations. The final section will turn to corporate involvement in the international CSR discussion.

2. Background of EU policies on CSR

CSR has moved across national boundaries and occurred through international policies created to protect human rights of workers and local communities as well as protect the environment from further degradation. International standards have emerged that have guided the EU to create its own policies, such as the Ten Principles of the UN Global Compact, the International Labour Standards (ILO) conventions, and the OECD Guidelines for Multinational Corporations, etc. Through several communications published this decade, the European Commission has clearly stated that it will promote corporate social responsibility (CSR) in the European Union as a means for corporate transparency and coherence of social and environmental values. In 2001, the EU Commission published a Green Paper on CSR, titled *Promoting a European Framework for Corporate Social Responsibility* (COM 366 final, 2001). This fundamental paper achieved the following three objectives: a) it explained the concept of CSR with all its facets; b) it recommended measures that businesses and other stakeholders could adopt as appropriate; and c) it created an open dialogue between the EU Commission and many private and public organisations towards establishing European wide CSR policies (COM 366 final, 2001).

This document was the first in a series of communications provided by the European Commission. As a follow-up to the Green Paper, the EU Commission drafted in 2002 a strategy to effectively communicate CSR (COM 347 final, 2002), which was based on the response from multiple stakeholders prompted by the previous paper. In 2006, the Commission proposed actions and policies to all EU Member States as well as organizations on how they could contribute to make Europe a "pole of excellence on CSR" (COM 136 final, 2006). The following definition was provided: "*Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*" (COM 136 final, 2006: 2*). This paper also encouraged companies along with other stakeholders to contribute to its European Alliance for CSR that will act as "a political umbrella for new or existing CSR initiatives by large companies, small and medium size enterprises (SMEs) and their stakeholders" (COM 136 final, 2006: 6). The Alliance is supported by three leading networks: CSR Europe, Business Europe and UEAPME, an organisation supporting European crafts, trades and SMEs. The Alliance has been open as a

forum for open dialogue on CSR to various organisations (including public entities, such as non-profit institutions and NGOs, as well as private enterprises).

Although the EU Commission has promoted CSR policies through an open dialogue between various stakeholders, critical debates have emerged among the parties. One of the ongoing central arguments is the EU Commission's declaration on CSR as a voluntary activity. The definition itself clearly demonstrates that CSR is fundamentally about voluntary business behavior, and it aims to avoid creating stricter regulations and requirements for companies. According to the Commission, "…an approach involving additional obligations and administrative requirements for business risks being counter-productive and would be contrary to the principles of better regulation" (COM 136 final, 2006:2). Many social and environmental NGOs and other activists argue that only through greater regulations, such as mandatory reporting of social and environmental impacts will result in an increase of transparency and coherence.[1]

Despite these debates, the EU Commission is making progress in its efforts to promote CSR alongside sustainability. According to the EU Commission, CSR plays a major role in addressing issues on globalization and sustainable development (SD). Another document linking CSR and SD together is the Lisbon Treaty of 2001. The treaty "traces the development of CSR in the European Union and sends a message to business to play a part in the partnership for growth and jobs" (European Commission, 2009). CSR refers to how European companies can achieve both sustainability and competitiveness simultaneously.

Five major fields are being covered by the European Commission to promote CSR practices. These fields consist of: 1) Codes of Conduct, which includes international standards such as the OECD Guidelines for Multi-National Enterprises, the ILO standards, the UN Global Compact, etc.; 2) Management Standards such as those provided by the Eco Management and Audit Scheme (EMAS) and Environmental Management System (EMS) with ISO 14001 standards; 3) CSR Measurement, Reporting and Assurance, such as Global Reporting Initiative (GRI); 4) Labels, such as Eco-label (*i.e.* BIO) and Fair Trade; and 5) Socially Responsible Investment. The rest of this paper will cover some of these issues, with a focus on the points Codes of conduct and CSR measurement in both national and corporate communications.

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[1] In fact, many NGOs have split from the EU Alliance and created its own forums to set principles and standards, such as the European Coalition for Corporate Justice (FOE Europe, 2007).

3. National level conversion – Germany, Hungary and the United Kingdom

Narrowing down the European level of communication, this section will focus on three national polices and activities, which include German, Hungarian and British. It will point out the most prevalent CSR policies and lists of contributing organizations, and determine if these policies have been influenced by the EU policies. Three areas of focus have been chosen, including: a) National CSR strategies and any ties with national sustainable development strategies; b) Main political actors and related policies and communications promoting CSR; and c) Levels transparency through communications on codes of conduct, reporting frameworks, etc.

3.1 German CSR Policies and Frameworks

In April 2002 the German government established the National Sustainable Development Strategy (NSDS) "Perspektiven für Deutschland" ("Perspectives for Germany"), including 21 goals and indicators. These goals and indicators are part of a management concept and give orientation to political actors and civil society. The strategy consists of four main fields, including: a) Energy and Climate, b) Transport, c) Agriculture and d) Global Responsibility. Although the strategy does not explicitly use the term Corporate Social Responsibility, many links to responsible and sustainable behavior can be found throughout the main contributors to it. Within this framework of the NSDS, the German government emphasizes the necessity of firms to accept a greater social responsibility. The Federal Ministry of Labor and Social Affairs (BMAS) was appointed the task for the development of this strategy. Together with other federal Ministries, BMAS is currently writing a CSR-Strategy for Germany. BMAS has defined CSR following the lines of the EU definition, where CSR deals with enterprises, institutions or organizations doing more than legally necessary for society (CSR Germany, 2009).

In this context the Ministry will provide a database with enterprises covering CSR issues, *e.g.*, educational programs, wage agreements, sustainability as well as family-related aspects. In order to gain access to this database, companies are obligated to adopt a set code of conduct. The reason is to prevent free-riders using this CSR-concept only for marketing reasons. Therefore, the Federal Ministry of Labor and Social Affairs established in January 2009 a national CSR-Forum,

which consists of 40 experts from economy, civil society, labor unions, sciences and politics.[2] A main task of the Forum is to support the German BMAS developing a national CSR-strategy. The CSR-Strategy is based upon a study by PLEON GmbH and IFOK GmbH and focuses on four main tasks a) ethical work, b) information for consumers, c) environmental issues and d) globalization. In 2008 the Federal Foreign Office together with Bertelsmann Foundation established the Information portal "*CSR Worldwide – German Companies Globally Engaged*" to support social activities of German companies abroad and to promote their social and ecological affairs. Partners of the portal include:

- Federal Ministry of Labor and Social Affairs (BMAS);
- Federal Ministry of Food, Agriculture and Consumer Protection (BMELV);
- Federal Ministry of Environment, Nature Conservation and Nuclear Safety (BMU);
- Federal Ministry of Economical Cooperation and Development (BMZ);
- Federal Association of German Employers (Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA));
- Federation of German Industry (Bundesverband der Deutschen Industrie (BDI));
- German Chamber of Commerce (Deutscher Industrie- und Handelskammertag (DIHK)) / German Foreign Chamber of Commerce (Deutsche Auslandshandelskammern (AHK)).

Since 2005 the German Council for sustainable development has been dealing with corporate responsibility. In the second half of 2008, the council published a documentation of all CSR activities.

3.2 Hungarian CSR Policies and Frameworks

In accordance with the European CSR policies, the Hungarian government has comparable objectives, including the promotion of the implementation of economic, social and environmental dimensions of sustainable development and crate policies encouraging CSR. In addition, international organizations are helping Hungary through programmes, such as the United Nations Development Programme (UNDP). The UN Global Compact Hungary Network

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[2] Members include: ArcelorMittal Eisenhüttenstadt GmbH, BASF SE, Rat für Nachhaltige Entwicklung, DBG, econsense, IG Metall, ILO Vertretung Deutschland, Transparency International, Wittenberg-Zentrum für Globale Ethik, Bundeskanzleramt, Bundesministerium für Wirtschaft und Technologie and others (BMAS, 2009b).

promotes a public-private partnership to find good practices of CSR in Hungary. Furthermore, several European CSR networks are contributing to the aim of experience exchange and good practice (European Commission, 2007). Every year since 2000 the Hungarian Ministry of Social Affairs and Labor has encouraged businesses to report of social and environmental protection and awarded prizes for good practice. Other measures have been launched to enhance employment practices, including the HRD Operative programme, where the European Social Fund supports the creation of friendly workplaces. Another example is the Act on Equal Treatment and Promotion of Equal Opportunities, which both set framework for non-discriminatory principles. It is seen as the initiative from many EU policies that set the tone and the framework for social measures in a developing Hungarian state (European Commission, 2007).

3.3 British CSR Policies and Frameworks

The UK government's role in CSR is to raise awareness, provide an open and enabling atmosphere encouraging business to adopt responsible business practices both domestically and internationally, and support adherence to European and international standards of business ethics and responsible business behaviour. Since 2000, the UK government has appointed and held a minister for Corporate Responsibility in the Department for Business Enterprise and Regulatory Reform (BERR). This position ties in with the government's strategy for sustainable development (European Commission, 2007). Since 2001, the government has published four reports on CSR, outlining the government's CSR policies and strategies. The most recent document was published in February 2009, which is titled "Corporate Responsibility Report". The UK government's strategy to achieving CSR "is to create a policy framework with minimum levels of performance in the fields of health and safety, environmental impact and employment practices, whilst also encouraging and enabling wider responsible behaviour that stimulates innovation and the application of best practice" (UK Department for Business Innovation & Skills, 2009: 5). The UK report lists the main drivers to promote CSR, including socially responsible investment (SRI), partnership with the third sector (*i.e.*, charities), acceptance of market-led reporting initiatives, *e.g.*, the Carbon Disclosure Project (CDP) and the Global Reporting Initiative (GRI), and following the policies of international standards, such as the OECD Guidelines on Multi-National Enterprises and the UN Global Compact. As the report

clearly shows, the government supports various international standards that encourage ethics and best practice. The OECD Guidelines and UN Global Compact were already mentioned above. In addition, the government supports ILO Standards, promotes the adoption of certification schemes, such as ISO 14001 and BS 8555, and has launched its own documents on codes of conduct. These self-created documents include the "Voluntary Principles on Security and Human Rights" as contribution to social codes of conduct and the "Environmental Reporting Guidelines – Key Performance Indicators" addressing environmental standards.

4. Business community involvement

4.1 German Business Initiatives

Besides political initiatives and programs, German companies have established and joined common structures and organizations representing companies' activities in the field of CSR. One of the most important bodies is ECONSENSE – Forum for Sustainable Development of German Economy e.V., a network of 24 German multinational companies with strong international presence, including Allianz, BASF, BMW, Daimler, E.ON, Lufthansa, RWE and Volkswagen. This network consists of four fields of activities: a) Think Tank, b) Leadership Forum, c) Dialog and d) Best-Practice Examples. Main goals of the network are lobbying, developing know-how, communicating problem solving competences of the economy, fostering the dialog with different stakeholders and supporting the spread of CSR-activities. In addition to the above mentioned initiative, CSR Germany was established to spread basic information about CSR-related activities throughout German companies and to the rest of society. CSR Germany was created by two umbrella organizations of the German economy, Federal Association of German Employers (BDA) and Federation of German Industries (BDI).

Beyond these two initiatives, there are several grassroots programmess, such as the Arena for Sustainability, which is supported by Bauerfeind, a highly innovative German SME. This annual convention addresses new concepts and experiences to key-players in family-owned enterprises and tends to become an important platform for sustainability and corporate social responsibility. The forum is supported by Schweisfurth-Foundation, B.A.U.M. e.V., Fraunhofer-Gesellschaft and the Stiftung Familienunternehmen. In order to create a better impression of the

multifaceted CSR-initiatives in Germany, the following organizational networks and initiatives on CSR are provided:

- Bundesnetzwerk Bürgerschaftliches Engagement (BBE) – Federal Network for Corporate Engagement;
- Deutsches Netzwerk Wirtschaftsethik (DN WE) – German Network for Business Ethics;
- Unternehmen Partner der Jugend (UPJ) – Companies Partnership with the Youth;
- Centrum for Corporate Citizenship Deutschland (CCCD) – Center for Corporate Citizenship in Germany;
- Germanwatch;
- Initiative Freiheit und Verantwortung – Initiative for Freedom and Responsibility;
- Initiative für Beschäftigung – Initiative for Employment.

One of the most important conferences in Germany *Unternehmen in Verantwortung – Ein Gewinn für Alle* (Companies for Responsibility – A win for all) was organized by the German Ministry of Labor and Social Affairs, which took place in Berlin last April 2008. Participants include 16 Federal Ministries, 66 enterprises, 41 public institutions, 23 scientific institutions and other bodies for German government and businesses.

4.2 Hungarian Business Initiatives

Hungarian businesses initiatives include both large-scale public corporations and small businesses, where CSR can be properly applied. Governance and ownership structure of the larger corporations mostly resemble a company blockholder system, where the coalition of limited owners in a particular company and shares are not publicly traded (Habisch et al., 2005). These are privately held companies with pyramid organizational structure, which can pose problems for CSR due the principle-agent issues. In this system, managers are dependent on the owners and responsibilities of these owners toward society are unclear. However, times in Hungary are changing. Only several years ago most companies did not have to create financial reports and would not disclose communications on social and environmental activities. Due to the influence of international competition and EU policies, even these companies are now writing codes of conduct and other policy statements. CSR strategies might be rarely documented;

however, CSR reports are now being written in both Hungarian and English (Habisch et al., 2005).

Several organizations, such as CSR Hungary, KÖVET, and the Hungarian Business Leaders Forum are helping companies create new code of conduct and CSR standards that comply with EU and international ones. CSR Hungary organizes conferences and training seminars to help educate Hungarian businesses about CSR, sustainable development and other ethical issues in business. Speakers at these meetings include Hungarian business professionals, academics and prominent international experts and consultants. These meetings emphasize the need for social responsibility in corporate management and corporate action towards sustainable development. The KÖVET Association for Sustainable Economies, established in October 1995, aims to promote environmentally aware business management of enterprises. The main activity of KÖVET is to promote preventive environmental solutions, and ensure information exchange primarily in the business sector. The organization acts as a platform for ongoing information exchange, with the aim of promoting environmentally aware business management, to find new ways for industry to reduce its environmental impacts and to help to use this as a basis for a competitive advantage. KÖVET as a non-profit, non-governmental organization, with a special public benefit status is statutory neutral in political debates. Its members are not 'green firms' but companies feeling responsibility for their environment, trying to realign their activities on this basis and to spread the knowledge about environmental management. Finally, the Hungarian Business Leaders Forum (HLBF) is a nonprofit association and representative body of local businesses in Hungary and is committed to promote responsible business practices. Established in 1992 with aid of the Prince of Wales International Business Leaders Forum, has close to 100 members, both local and international companies, SMEs and nonprofit organizations. HBLF encourages companies to integrate CSR and principles of sustainable development into everyday business practices. (HBLF, 2009)

4.3 British Business Initiatives

In Great Britain, CSR has been integrated into both internal and external policies of businesses. Internally, corporations have created own CSR departments, have appointed board level and top management responsibilities, and have introduced CSR reporting and organizational

systems for dealing with CSR issues. Externally, corporations have shown increased relations with society through partnerships in networks, social and environmental reporting and wider stakeholder relations. In addition, many organisations and networks have sprouted up to either aid corporate actions towards CSR or represent interests of various groups in the CSR debate. Two groups include Business in the Community and the Corporate Responsibility Group, alongside many other front line organizations working directly with companies on CSR issues and publications. Firstly, Business in the Community (BITC) is a major business umbrella group for CSR between the United Kingdom and the United States, which became the largest business association of CSR in the 1980s. BITC has a membership of roughly 750 companies. It provides a range of CSR services to its members, including identifying major CSR issues for British businesses, and works closely with the Department of Trade and Industry in CSR policy development. (Habisch et al., 2005: 56-57). Secondly, the Corporate Responsibility Group (CRG) is the learning and development network that exists for and is run by business professionals, especially managers with CR titles. It is an open network where practitioners exchange information and learn from their peers as well as support each other when faced with complex challenges in the market, etc. (CRG, 2009). A CSR consultancy industry has also emerged, including CSR vanguard organizations such as AccountAbility, which was set up to raise CSR standards, and Ethical Corporation, which organizes CSR conferences and publishes monthly newsletters (Habisch et al., 2005: 57).

5. Corporate level responses and comparison

A total of nine companies in the Energy and Oil industries were chosen from Germany, Hungary, and the United Kingdom to demonstrate how EU policies are reflected in their reporting and communications. In order to determine if companies adhere to EU policies, Welford's 20 elements of corporate social responsibility were chosen that represent international conventions, codes of conduct and industry best practice that the EU has also adopted (Welford, 2005). These elements are broken down into four categories, covering a set of international policies on CSR as well as several sources from industry best practice: 1) Internal aspects (6 elements) – Written policies on non-discrimination in the workplace; Equal opportunities statements and implementation plans; Statement on normal working hours, maximum overtime

and fair wage structures; Staff development, in-house education and vocational training; The right of freedom of association, collective bargaining and complaints procedures; The protection of human rights within the company's own operations; 2) External aspects (9 elements) – Policy on labour standards adopted by suppliers in developing countries; Policy on restrictions on the use of child labour by suppliers; Commitment to the protection of human rights in the company's sphere of influence; Inspection of suppliers' facilities for health, safety and environmental aspects; Commitment to local community protection and engagement; Policy on responding to stakeholders including procedures for the resolution of complaints; Policies on fair trade, equitable trade and end-price auditing; Policies on the protection of indigenous populations and their rights; Code of ethics (including bribery and corruption); 3) Accountability (2 elements) – Commitment to reporting on corporate social responsibility and/or sustainable development; Policies and procedures for engaging a wide range of stakeholders in two-way dialogue; 4) Citizenship (3 elements) – Direct support for third-party social and sustainable development-related initiatives; Educational programmes for the promotion of corporate citizenship; External campaign programmes for raising social and sustainable development issues.

Mostly corporate social reports (CSR reports) were examined to demonstrate to what extent this selected number of companies adheres to these standards. We also intend to provide several examples of corporate social commitment and degree of communication on CSR. These reports and written policies were cross-examined to see if companies universally adopt these international conventions and find if any trends or patterns occur in the Oil & Gas and Energy industry sectors. Above all, the research can show if national companies tend to hold to similar national patterns or if more international patterns can be observed.

5.1 German Companies and Corporate Social Reports

Three German companies from the Energy industry were selected, including E.ON AG, RWE AG and SolarWorld AG. All three companies had clearly positive internal policies on non-discrimination and equal opportunities in the workplace, whereby RWE and SolarWorld evidently stated that they follow the Anti-Discrimination Act (AAG) of German law. Most other standards and codes of conduct for internal CSR affairs were also straightforward, such as right to freedom of association in trade unions and protection of human rights. For some reason,

however, all three companies scarcely reported on fair wages and maximum overtime. Only SolarWorld stated that its wages were comparably fair throughout its operations in both western and eastern parts of Germany. There was also no reference to the acceptance or implementation of ILO Conventions on human rights at the workplace, even though companies did state that they did practice human rights according to its own policies.

The external elements of CSR provided completely mixed and mostly ignored international standards for screening suppliers for human rights issues. Only RWE has a policy for screening labor standards of its suppliers. E.ON makes no clear reference to its policy; instead, it just states that it adheres to the ten principles written by the UN Global Compact. As a matter of fact, both E.ON and RWE dedicated an entire page to listing the 10 Principles of the UN Global Compact in their reports. SolarWorld clearly states that it has no screening of suppliers in its current business. Issues on child labor were again on mentioned by RWE. Both E.ON and RWE disclosed a clear commitment to the protection of human rights according to UN Global Compact, but SolarWorld did not. In contrast, SolarWorld was the only company with a policy on fair and equitable trade, whereas E.ON and RWE did not provide any such policy.

All companies did have codes of ethics against issues such as bribery and corruption. In terms of accountability, all three companies accepted GRI as the standard norm for its reporting on its social responsibility and sustainable development issues. Also, each company had clear policies and strategies on stakeholder engagement, which is mostly titled "stakeholder dialogue". As for corporate citizenship, all companies supported external sustainable development programs, including educational programs and third-party initiatives in its range of business. All companies hosted campaigns for raising social and environmental issues, such as RWE with its Energy Efficiency campaign; however, SolarWorld stated that external campaigns were going to be put on hold due to a currently undergoing management structure change.

5.2 Hungarian Companies and Corporate Social Reports

The three Hungarian companies include the MOL Group, the largest Oil & Gas Company in the country, the MVM Group, a nationally owned group for the Hungarian energy sector, and E.ON Hungary, a subsidiary of the German Energy company. These three companies mostly have a positive reflection on the internal elements of corporate social responsibility. All

companies have written policies on non-discrimination, statements on equal opportunities, and well-balanced staff development and training programs. In the areas of freedom of association and protection of human rights, both the MOL Group and the MVM Group have clear statements on these issues. Even though E.ON Hungary does not clearly mention these aspects in its report, E.ON Germany does cover these issues for all of its international operations as observed in the section above. The only internal aspect of controversy is the statements on normal working hours and fair wages. Only the MVM has clearly responsive policies on these issues. Both the MOL Group and E.ON Hungary fail to mention the statements in their CSR reports.

The external aspects for the Hungary companies are very unbalanced, where the companies either had unclear statements or did not mention any of its policies towards CSR activities in their reports. For example, the companies did not provide any policies on fair trade or protection of indigenous populations. Only the MVM Group provided a policy on restriction of child labor by its suppliers. On the positive side, all companies did provide codes of conduct and clear procedures for stakeholder responses. Additionally, all companies are clearly committed to the protection of local communities. Both the MOL Group and MVM Groups had clear statements on their commitment to protection of human rights. E.ON Hungary did not provide any statement on this issue; however, the parent company in Germany again does have clear international human rights policies.

Along the lines of accountability and citizenship, each company is committed to reporting on social and sustainable developments in accordance with the GRI standards. All companies also have clear policies and procedures in a two-way dialog with its stakeholders. The MVM Group and E.ON Hungary support external CSR and sustainable development initiatives. For example, the MVM Group focuses heavily on environmental protection initiatives whilst E.ON Hungary turns its attention to supporting social and cultural initiatives. The MOL Group made a brief mention to lending some aid to various groups; however, it did not make it clear on exactly what third-party initiatives these were. All companies provide both educational programs and external campaigns for the promotion of corporate citizenship and sustainable development issues.

5.3 British Companies and Corporate Social Reports

The three UK based companies include two energy companies, BG Group plc and Centrica plc, and one Oil & Gas company, British Petroleum (BP) plc. These companies represent some of the largest energy and oil providers in the United Kingdom. Starting with internal policies, these three companies adopted and complied with all ILO Conventions and UN Declaration of Human Rights, including non-discriminatory practices, equal opportunities at the workplace, development of staff and training and the protection of human rights. As a matter of fact, Centrica plc mentioned ILO Conventions multiple times in its reports and extra policies provided. There were only two unclear cases presented under this group heading. British Energy did not make any clear statements on working hours and fair wages and BP did not directly report on its policies for right of freedom of association in trade unions. Moving on to external elements of CSR, both BP and Centrica had clear policies on labor standards adopted by their suppliers, whereas British Energy did not make it clear how it approaches this issue. Issues on child labor were only mentioned by BP but not by the two energy companies.

All companies had clear commitment to protection of human rights and commitment to the protection of the local community. BP appeared to take a clearly positive approach on the protection of indigenous people, whereas British Energy and Centrica did not. However, this may be a closer reflection of the companies' scope of business rather than attitude towards these issues. None of the companies have policies on fair and equitable trade. Under the sections of accountability and corporate citizenship, all three companies have dedicated reporting on CSR / sustainable development activities. Both BP and British Energy accepted GRI as part of reporting guidelines. Centrica has no direct commitment to the GRI reporting scheme; however, it did mention that it uses GRI index as a guideline for its report. All companies have policies and procedures in engaging with multiple stakeholders. Every company supports various external educational and supporting programs for social and sustainable development and promotes various campaigns for raising social and sustainability awareness with its customers and local communities.

6. Discussion and Conclusion

The research provided some insight on the national and international trends on CSR reporting from the energy industry. The results demonstrated that when companies were compared on a national level, no clear differences could be noticed between the companies. However, when all the companies in the study were put together without recognition of national boundaries, we more international differences could be observed. For example, the internal CSR element of statements on working hours and fair wages were only mentioned by four of the nine companies researched. In another example, the external elements on fair trade and protection of indigenous people were only mentioned by one company in each category.[3] One assumption was made that these three issues do not explicitly related to the energy industry's scope of business, where the companies would have to be concerned about these topics. Perhaps energy companies do not affect or are not affected by fair trade regulations and/or protection of indigenous people in its frame of business; hence, these points are not essential to report.

The review of these reports indicated that it is easier to observe international policies and how it affects an industry as a whole, rather than separate national policies being included. The only exception to this finding was two German companies, RWE and SolarWorld, mentioning the Anti-Discrimination Act (AAG) of German law. Beside this only instance, there was a greater reference to the adoption of international codes of conduct and measurement, such as the UN Global Compact or the Global Reporting Initiative (GRI). Therefore, the scope of influence demonstrated that companies communicated more on policies outside its national and EU boundaries, rather than inside of them. However, in most cases these companies are large multinational corporations that operate worldwide. There are no clear trends for these companies to adopt all international standards and create policies for internal or external involvement. Even when companies are clearly focused to environmental issues, such as SolarWorld's commitment to reduction of CO_2 output through solar energy, many social aspects remained unclear. However, these reports were only a snapshot of the company's policies and performance, not capturing the company's entire social, environmental and political policies available. An issue for future research is the national influence on company's acceptance of these standards. One consideration

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[3] In both external cases, the company was not the same. SolarWorld mentioned fair and equitable trade and BP mentioned protection of indigenous people.

would be to see if local created policies would enhance companies' communications on international standards. In addition, national agendas might help smaller companies integrate international policies on a more local level. In turn, this might help bring CSR policies into greater discussions within business circles and encourage businesses to take greater responsibility in achieving corporate sustainability.

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Komunikaty UE dotyczące społecznie odpowiedzialnego biznesu (CSR)i ich oddziaływanie na narodowe i korporacyjne agendy zrównoważonego rozwoju

Streszczenie

Niedawne komunikaty Unii Europejskiej dotyczące celów zrównoważonego rozwoju zawierały wytyczne, jak korporacje powinny reagować na społeczne i polityczne potrzeby poprzez społecznie odpowiedzialne działania gospodarcze. Biznes społecznie odpowiedzialny (ang.: *corporate social responsibility – CSR*) staje się coraz powszechniej wykorzystywanym i spornym terminem, mającym obejmować zaangażowanie świata biznesu w działania ukierunkowane na zaspokajanie społecznych i środowiskowych wymagań. Niniejszy artykuł omawia, w jaki sposób komunikat Unii Europejskiej wpływa na politykę CSR korporacji pod kątem zrównoważonego rozwoju. Wskazano na najświeższe kroki Komisji Europejskiej dotyczące CSR i przedstawiono ich odzwierciedlenie w polityce szczebla narodowego i europejskiego. Poniżej skoncentrowano się na przedsiębiorstwach z trzech europejskich państw, a mianowicie z Węgier, Niemiec i Wielkiej Brytanii. Ponadto z każdego kraju wybrano po jednej firmie reprezentującej sektory

paliwowy i / lub energetyczny, aby zaobserwować sposób implementacji określonej polityki, a także jej wpływ na zachowanie korporacji (przejawiające się w raportach finansowych i raportach CSR). Polityka CSR przedsiębiorstw będzie oceniana według 20 elementów CSR wskazanych przez Welforda (2005), bazujących na podobnych przesłaniach międzynarodowych kodeksów i konwencji, takich jak konwencja ILO czy program *Global Compact*, które zaadoptowała Komisja Europejska.

Słowa kluczowe: zrównoważony rozwój, biznes społecznie odpowiedzialny (CSR), Komisja Europejska, Niemcy, Węgry, Wielka Brytania.