



**DEVELOPING THE PATTERNS OF
CORPORATE SOCIAL
RESPONSIBILITY**

**THE HISTORY OF THE
BENCH MARKS PROCESS**

INTRODUCTION

When the idea of constructing the Bench Marks was first conceived in 1993 there were a number of concepts in the minds of those who collaborated on the work in its early stages.

1. We were **not** setting out to create a Code of Conduct which companies could adopt and make their own.
2. We were **not** attempting to create a standard by which corporate business would be able to describe their achievements.
3. We were **not** describing a process by which organisations or businesses could benchmark themselves against other such structures. [This is why the title Bench Marks is always produced as two words with the capitalisation of the initial letter of each word.]
4. What we were trying to do was to create our own standard of measurement that could be used in the process of the work of studying and taking action on corporate responsibility. {It was described at the time as ‘having a measuring stick to place in the water of corporate responsibility by placing.’}

Corporate Codes of Conduct, Ethical Statements, General Business Principles, and Charters – they have many and various names – tend to be bound by the same limiting factors. They tend to be the lowest common denominators of acceptability. They have the reputation of being exercises in public relations. They have been abused by corporations as means of pushing aside the concerns of activists and NGOs working for change. They have been discredited as a result of the failure of companies to take seriously the implications of responsibility. The Corporate Social Responsibility activities of the faith communities cannot afford to be associated with these kinds of deception.

There is, however, a need for definition. The ***Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*** are an attempt to define and describe what faith communities understand to be the fundamentals of corporate social responsibility.

Having said that, we are ourselves aware of the limitations of the document as it stands. Firstly, it is a definition which was constructed in the industrialised world and it needs to be tempered by insights and problems which arise in the developing or two-thirds world. Steps are being taken to try to define the concepts and nuances of opinion which need to be considered as part of the widening of understanding and acceptance,

Secondly, we are aware that the document cannot stand-alone. It is only a guide to inform understanding and perception and if it is to be appropriately useful it needs to be tested in a monitoring structure that is capable of verification.

Thirdly, it is not an absolute – the document does not have a ‘life of its own’. It is constantly in need of updating and of being reworked to reflect the current situation. This was most clearly reflected in the first edition of the document – the so-called ‘Round One’ Text:

“...of course...

this piece of work will never really be ‘finished’...”

There comes a time in the process of the development of an idea or a strategy where it is appropriate to review, to rethink and to reflect on what has been done, the nature of the achievements made and the routes forward to be taken. Reflection of this kind only has any purpose if it will lead the process forwards. This document is offered in the hope that it will do that. It is offered purely with that goal in mind and it will only have succeeded to the extent to which it successfully moves the recipients and readers onward in the exploration of the strategy.

Necessarily there is a lot of historical record contained within the document – it is important that the events themselves are recorded but they are brought forward with the aim, solely, of contextualisation. Further to that, probably inevitably, this is a personal account, given by someone who has been part of the process from the beginning and who is still involved in it. Other people will have different, even distinct, memories and reflections of the process. Other people's ideas will change what is written here and so this should not be regarded as a document with finality wrapped around it. It is, rather, a framework into which opinions and recollections may - should - be incorporated. For that to happen, the invitation stands asking that the reader may feel able to send their reflections, information and comments to the 'Global Principles Secretariat' (Please see contact details on the last page.)

The writing has been undertaken through a process of file and record searching (as well as mental recollection). Old papers, correspondence, documents, reports and clippings have been searched out and subjected to review and some analysis. The work of parallel activity and reports has been incorporated where possible and appropriate. Reference and quotation of these materials is made where appropriate.

*Crispin White
Summer 2001*

In the October 1999, Dan Gennarelli of the Taskforce on the Churches and Corporate Responsibility (TCCR in Canada) and Crispin White of the Ecumenical Council for Corporate Responsibility (ECCR in the United Kingdom) were invited to go to Seoul, the capital of South Korea, to speak at a seminar organised by the Korean Economic Justice Institute within an international conference of Non-Governmental Organisations (NGOs). On that occasion Crispin White reflected on the circumstances which led to a major development of the work by faith communities in the United Kingdom on corporate responsibility:

'For two years some of us had been engaged with a major research project to study the activities of one giant British-based transnational company, the chemical company ICI (Imperial Chemical Industries Plc) which at that time was engaged in everything from old fashioned heavy chemical processing, through the manufacture of paint, plant biology and biotechnology, agrochemicals and on to pharmaceuticals. Since then the company has 'hived-down' and is now shared between the continuing and much-diminished ICI and Astra-Zeneca the agrochemical and pharmaceutical manufacturer.

Our researches had produced some sensitive responses from the company and we were trying to react to these matters. To pursue our concerns – which were mostly about pesticides and their distribution in Third World countries – and also to endeavour to understand what the company meant by its 'product stewardship programme' and how it related to the people affected by what the company made – customers, users, neighbours and unconnected parties. We were also greatly exercised by the company's claims to intellectual property rights especially in respect of living organisms – the subject matter of the moment was, in fact, genetically modified tomatoes. They were actively engaged in patenting life forms, albeit life forms which they had manipulated and changed and in which they had invested millions of pounds of research funds.

[We realised] that if ... we were going to make our researches mean something and if the researches were to have an effect of working for change in the way companies do things – then we were going to have to have a system of measurement by which we could, for the purposes of our own work, assess corporate responsibility. ...

5 Developing the Patterns of Corporate Social Responsibility

*[We knew] that we did not want a 'code of conduct' – that would be too rigid and in any case unattainable and unsustainable – but we needed something we could use to assess performance.'*¹

The seeds of all this go much further back. **'In 1991, Levi Strauss & Co was the first multinational company to establish comprehensive Global Sourcing & Operating Guidelines'**²

The company devoted enormous energy to promoting itself and its Guidelines, which they said:

'help us to select business partners who follow work place standards and business practices that are consistent with our company's policies. These requirements are applied to every contractor who manufactures or finishes products for Levi Strauss & Co. Trained inspectors closely audit and monitor compliance among approximately 500 cutting, sewing and finishing contractors in more than 50 countries.'

The code of conduct then mapped out 'Partnerships That Work' including 'Terms of Engagement' and 'The Country Assessment Guidelines'. The Terms of Engagement covered:

1. *'Ethical Standards*
2. *Legal Requirements*
3. *Environmental Requirements*
4. *Community Involvement*
5. *Employment Standards – including, wages and benefits, working hours, child labour, prison and forced labour, health and safety, discrimination. and disciplinary practices.'*

The leaflet produced by the company, which describes all this was produced in 1996. There is a slip inserted into it, copyrighted in 1997, which rather sets the context for all these admirable aspirations. It is headed 'Country Assessment Guidelines'...

'The diverse cultural, social, political and economic circumstances of the various countries where Levi Strauss & Co has existing or future business interests raise issues that could subject our corporate reputation and therefore our business success to potential harm. The Country Assessment Guidelines are intended to help assess these issues. The Guidelines are tools that assist us in making practical and principled business decisions as we balance the potential risks and opportunities associated with conducting business in a particular country. In making these decisions we consider the degree to which our global corporate reputation and commercial success may be exposed to unreasonable risk...'

Clearly, all this energy was, at least, in part, devoted to the company's corporate image. However, corporations were not the only agencies endeavouring to explore the rarified heights of corporate social responsibility in these days. By the start of the 1990s the Interfaith Center on Corporate Responsibility (ICCR) in the USA, had been engaged in a programme to explore the investment strategies of faith communities for 25 years. Their Canadian counterpart, Taskforce on the Churches and Corporate Responsibility (TCCR) were only five years behind them. In the UK the Ecumenical Council for Corporate Responsibility (ECCR) was a long way behind them with only five years of experience. Yet, there were other players.

The United Nations had been trying to develop a strategy towards transnational corporations. It was courageous in its aims and aspirations but probably too ambitious. The concept in the establishment of the United Nations Commission on Transnational Corporations (UNCTC) and the United Nations Centre on transnational corporations had, since their establishment in the 1970s, been struggling to gain acceptance of a code of conduct for TNCs. A review of the work of the UNCTC itself describes the aspirations at work in the United Nations at the time:

'The effort to formulate the Code of Conduct has been inspired by two main perceptions of the role of transnational corporations in the world economy: on the one hand, it is recognised that transnational corporations play a positive role as effective instruments of development in developed and developing countries alike and that

¹ 'The Global Stakeholder' by Crispin White, October 1999. ECCR

² © 1996, Levi Strauss & Co

this role should be strengthened; on the other hand, it has also been recognised that the pervasive role of transnational corporations in the world economy requires the formulation of guidelines for their conduct. The result has been an effort to establish a balanced code that prescribes standards of corporate conduct and principles for the treatment of transnational corporations.’³

The UNCTC was doomed almost before it was born. By 1986, the UNCTC had produced a document from which the above quotation was drawn. 27 pages of the document described the process and its aims; 16 pages were filled with proposals as to the concepts which should be included in the draft code; and the remaining 33 pages were filled with Annexed statements which showed the areas of dispute. It was a process going nowhere and in due course the failure was recognised and the UNCTC was first of all downgraded and moved to isolation and limbo in Geneva instead of prominence in New York and then gradually it was allowed to moulder into decline and decay. These issues were ones which it was easy for multinational organisations, governments and commercial structures, to by-pass and they did.

The UNCTC had sought to act through consensus of government agencies and corporations but it proved to be a task surrounded by insurmountable difficulties. It was not the time, politically or socially, for this to be possible. Many national governments (principally the USA under Ronald Reagan’s Presidency and the United Kingdom with Margaret Thatcher in 10 Downing Street) were never going to concede these kinds of ideas and, in any case the corporations were pursuing a rear-guard stance to the situation.

In that context, the idea of setting up a system for measuring corporate action was bound to be seen as a risky venture for a young enterprise to explore but nevertheless it was begun, probably because enough people were prepared to lend their support and their encouragement.

In 1994, ECCR had just completed a two year study, funded by Christian Aid and CAFOD (the two UK faith-based aid agencies) to explore how a transnational corporation works. It looked at the issues that its activities would raise for a global partnership of agencies concerned with corporate responsibility in the global community. The research documents had already been published. Alex Kirby, a BBC journalist, was engaged in compiling a ‘popular’ version⁴ of the report of the project. The ECCR Board was in negotiation with the chosen company (by now ‘hived-down’ into the component parts – ICI Group Plc and Zeneca Group Plc) and trying to dialogue about some matters of disputation and interpretation. A theological consultation had been conducted (led by the Rt Revd David Jennings, Bishop of Durham). The opening statement of the reflection, which came from that consultation, set the scene:

The work of ECCR is founded upon the conviction that the activities of Transnational Corporations are of profound concern to communities of faith, including the Christian churches...

We recognise that we are not ‘disinterested’ observers or critics. We are involved and implicated in what we examine. We rely on pensions derived from shareholdings. We may be paid through incomes from investments. We may own shares directly and benefit from their performance. When we attempt analysis and when we reflect in faith, we recognise that the churches too are under judgment.’

In that environment and with some considerable trepidation but with the encouragement of people in the Industrial Mission movement in the UK⁵ a first draft of the Bench Marks was prepared and began to be shared around. The first document defined the pattern that was to be followed. Its heading was:

³ ‘The United Nations Code of Conduct on Transnational Corporations’ Published by the UNCTC in the series UNCTC Current Studies, Series A, No 4, New York, September 1986.

⁴ ‘Is The Best Good Enough? A Portrait of a Transnational Corporation: Researches Into ICI Plc and Zeneca Plc, published as the Christian Action Journal, Spring 1994.

⁵ Notably of the Revd Canon Peter Challen, then the Team Leader of South London Industrial Mission

BENCH MARKS

New Collins Concise Dictionary Definition –

‘bench mark a criterion by which to measure something: reference point’⁶

The document carried these words of introduction:

*‘In an article in the **FINANCIAL TIMES** (Wednesday 23rd June 1993) Tim Dickson described how the aerospace company Short Brothers of Belfast (now owned by the Canadian Bombardier Corporation) has introduced a system of benchmarking into its strategy of management. The article quotes the president of the company, Roy McNulty, as defining benchmarking as – “the continuous improvement of what we do by learning how others do it ... What we do can be products, processes or services, whilst “others” can be other divisions within Shorts, companies within the Bombardier group, direct competitors, or best practice companies.”*

The article goes on to quote Brian Little, vice-president and general manager of manufacturing at Shorts, whom it describes as ‘something of a benchmarking evangelist’ as saying, “there is always something to be learned from visiting someone else’s factory. It can be a great trade”.

*If the corporate world has discovered ‘benchmarking’ then it is a significant tool which could be used to measure corporate governance, corporate responsibility and appropriate behaviour. What follows is **an attempt to define a set of Bench Marks, which ECCR might use to promulgate its message of corporate responsibility. The ECCR Bench Mark could be used as a basis for judgment.***

The foundation principle that ECCR will want to work to is to hold a concept that corporate responsibility is to be applied in equal terms to all ‘STAKEHOLDERS’ who can be described as being:

*The Local Community
The Global Environment
The Customers
The Employees
The Shareholders and Investors
Other Businesses
The Directors*

In the process of defining Bench Marks it is therefore important to ensure that the well-being of all the stakeholders is considered. The definition of Bench Marks will therefore be made in these categories.’

In that first edition there were just 43 Bench Marks statements with two attached Appendices - ‘The Code of Best Practice’⁷ and the Wood-Sheppard Principles for Race Equality in Employment. The latter had been devised earlier that year and launched by ECCR and its partner, the Race Equality in Employment Project (REEP) under the sponsorship of the Anglican Bishops of Croydon and Liverpool, respectively.⁸

Immediately, a long and careful process of consultation was set in train and explorations with ICCR and TCCR were commenced. It was known from the outset that if this project was to have any hope of success it would be essential that there was partnership. We also knew that we needed to have the advice of both, our potential partners, and also of agencies who were directly engaged with the way in which transnational corporations impacted on the countries of the South. Letters were sent to a wide assortment of people who it was thought might be able to respond and the outcome had an astonishing pattern of encouragement.

The first response came from TCCR. Bill Davis, then Co-ordinator of TCCR, replied to the initial consultation letter in these terms:

⁶ ‘Bench Marks’ *ECCR, September 1993*

⁷ The report of the Cadbury Committee on ‘The Financial Aspects of Corporate Governance’

⁸ The Wood-Sheppard Principles’ – both of these documents can be found as Appendices to the ‘Round 2’ text of the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*.

The concept of the “Bench Marks” document appeals to me. We recently spent some energy working on a “Code of Business Practice” drafted by a corporation and submitted for comment. We rewrote the document and have yet to hear how it fared. We do know however that its final version is to be issued in February.

I would like to ask those who spent time on the corporate code to have a look at the Bench Mark draft...

I will take this to our January Social Issues meeting in the hope that there will be an interest. In an ideal world we might have ICCR in New York and ECCR in the UK and ourselves produce a common document and then try the UN or the World Council of Churches. First I had better see what level of interest I discover within our board here.’⁹

At the beginning of 1994 a document was issued by ECCR gathering together all the opinions which had been received in response to the consultation. These are the people who responded to the first draft document:

RICHARD ADAMS, DIRECTOR, NEW CONSUMER

‘I have a number of comments about the Benchmarking paper. The first is a general query about the way you are using the term. My idea of the benchmark in this context is that of a quite specific reference point or standard but the way you seem to be using it is more as a general statement or code of conduct. The problem with the latter is that the various codes, ILO, UNCTC, ICC etc have either been recognised by industry because they are so general that it is hard to pin down specific practice or have not been recognised by industry for the very reason that they are too specific.

This is why the benchmark idea is so useful as it says ‘this is where we are at this moment and in these circumstances’....’

WININ PEREIRA & SUBHASH SULE, CENTRE FOR HOLISTIC STUDIES, BOMBAY

‘The list of Bench Marks is quite comprehensive and covers all -?- aspects of corporate behaviour. It provides a set of criteria by which to judge the activities of TNCs. However, the problem as we see it is that, first the TNCs will almost surely not agree to implement them secondly, if they do not implement them, how do we enforce them?

The TNCs will not agree to them for the simple reason that if they try to, many of them will have to close down, at least here, since their aims are exactly contrary to what the Bench Marks propose... (examples of this follow)

JOHN HUGHES, HEAD OF PUBLIC AFFAIRS, RTZ LIMITED (NOW RIO TINTO PLC)

‘Companies’ activities (and cultures) vary enormously and what is ‘acceptable’ for one may be totally ‘inappropriate’ for another. Indeed, in the mining industry, every single deposit is naturally different and there simply is no standard ‘production line’ which could be used if maximum value for all the ‘stakeholders’ involved is to be gained. In view of this, my preference would be for the Bench Marks to represent a selection of principles to be aimed for as relevant, rather than as a check against which corporate behaviour could be measured, no doubt published and from which very misleading comparisons might then be drawn...

...a ‘growth industry’ [of the production of codes of conduct] does, however, raise problems. The administrative effort and expense involved in keeping abreast of their development is not inconsiderable. Add to that the time and overhead costs of completing a detailed check list of measures such as Bench Marks, particularly in highly decentralised corporate structures such as our own, and you will appreciate a not unnatural reticence among many companies to get involved in this field at all. This is counterproductive to the objective I believe we all share. Perhaps, therefore, it is time for a degree of rationalisation to be attempted?

This brings me to the question of the degree to which companies elsewhere in the world are being expected to develop or comply with ethical codes. Competition in the Global Village is a fact of life and quite rightly so since it has significant benefit for everyone in the world. However, there is little evidence to suggest that the standards of corporate behaviour which from my experience are commonplace in companies based in the developed world, are shared by those which are rapidly emerging in the Pacific Rim or the FSU (former Soviet Union), for example. Bringing these up to scratch is, I feel, a far more urgent and necessary task. Certainly, any additional burden which further disadvantaged already responsible companies would be to no one’s benefit.

⁹ Bill Davis – Letter dated December 23, 1993 from TCCR office in Toronto accompanied by a copy of the redraft document of a code of conduct devised by PetroCanada.

Accepting that laws must be obeyed and moral obligations recognised and respected, a company's first responsibility must be to make sustainable profits. All too often, it is forgotten that profits are required for new investments to be made, for taxes to be paid, for employment prospects and benefits to be enhanced, as well as for dividends to shareholders. The latter, of course, are not in this day and age restricted to the fortunate few and accrue to many millions who have savings in occupational pension schemes, insurances, unit trusts, etc etc. The result is that many shareholders also represent other stakeholders in the company, at one and the same time. This, too, needs to be recognised in the Bench Marks. I would therefore question the basis for equality of stakeholder interest suggested. Not only are the interests of certain stakeholders given priority by law but also in some instances, the interests of one stakeholder versus another may even be irreconcilable. How should the Bench Marks then apply? [There then follows a gathering of comments about individual Bench Mark statements in the draft document.]

PETER WEBSTER, DIRECTOR OF ETHICAL INVESTMENT RESEARCH SERVICES (EIRIS)

'...I circulated your letter around the office. The main comments that came back were that your principles are all at a very general level. You will know this yourself! But while it is one thing to say that you should "take special care where the local community is made up of indigenous people" it is quite another to think what this might mean in practice. How do you recognise who does this well and does it badly?...

... you have identified the areas in which Bench Marks might be needed. There is a whole other job of finding who is doing outstandingly well in each area and how everyone else can catch up. So what examples exist of companies doing "everything in their power to protect human rights", for instance, how can that be measured, and how can others catch up? ¹⁰

At this point TCCR made a large contribution to the whole process, which was to be formative and fundamental to forward progress. At the meeting of the TCCR Social Issues Group, referred to above by Bill Davis in his letter, a suggestion was put forward as to how the Bench Marks document could be made meaningful, effective and, to enable it to become a truly measurable structure. This was to point to a revision which would involve the creation of **Principles, Criteria and Bench Marks**.

The meaning of these terms came to be defined (and stated) in the first published version of the text produced in 1995.¹¹ The relevant statement in the 'Preamble' of the document is:

*'By **Principles** we mean a statement of business philosophy fundamental to a responsible company's actions. By **Criteria** we mean particular company policies and practices that can be compared for consistency with the Principles. By **Bench Marks** we mean suggested specific reference points of measurement to be used in assessing the company's performance in relation to the Criteria.'*

This degree of consultation had an interesting and unexpected result. The Board of ECCR encouraged by this new interest in the concept they were struggling with started to plan forward. Encouragement came from all sides - organisations and individuals started offering relevant and useful materials. Three sets of documents which found their way into the ECCR Library will illustrate that breadth and widening interest.

'An Interfaith Declaration: A Code of Ethics on International Business for Christians, Muslims and Jews.'

'Research Working Papers on Corporate Responsibility in Practice: Case studies of UK-based Companies. published by the School for Policy Studies of the University of Bristol

'Tomorrow's Company: The Role of Business in a Changing World', a reported consultation process set up by the Royal Society for the encouragement of Arts, Manufactures & Commerce (RSA)

The ECCR Board decided that, if we were going to move the process forward, partnership would be essential and was, in any case, desirable with the colleagues in North America. TCCR then lent that decision a powerful encouragement by inviting ECCR's Co-ordinator to attend their annual meeting in

¹⁰ 'Taking the Temperature' – An initial report from ECCR in response to the question 'How can we measure healthy corporate responsibility?' published by ECCR in January 1994.

¹¹ **Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance**, released by ECCR, TCCR and ICCR in 1995 though, not as will be seen later in a shared or standard form.

September 1994 in Toronto and also invited Tim Smith the Executive Director of ICCR to be present as well. In the event, Crispin White having attended the Toronto meeting, then travelled on to New York for the equivalent meetings within ICCR. These events proved to be the catalyst for development and the interchange that was shared, eventually led to the partnership being built – though not without problems.

The September 1994 visit to Toronto, New York and Washington also involved a side trip to Wisconsin to visit a mine belonging to the transnational giant RTZ Ltd. The visit was hosted by Sister Toni Harris of the Sinsinawa Dominican Religious Order and involved a long drive up through the length of Wisconsin following the Mississippi River for a lot of the way.

The mine – the Flambeau Copper Mine - was on the banks of one of Wisconsin's pristine rivers. Once there, it was with a heavy heart that the visitors that day looked at what they saw, listened to the words of the mining company (and its British corporate communications personnel who had journeyed to America to be present for the visit). The opportunity was taken to incorporate in the visit, discussions with local people and especially with the local tribal people (The Lac Courte Oreilles nation) about the impact on their lands and their life-style. The feeling arose during the visit that, despite the, by then, recognised weaknesses of that very first draft of the Bench Marks document, it was important to begin to use it as a test-bed for the activities of the company. So, there was produced the very first assessment of a company's operation based on what was to become the Principles for Global Corporate Responsibility.

The company responded early in 1995, with a closely worded rebuttal, which went to the lengths of an almost line-by-line commentary, and then ECCR sought the responses of those who had been the hosts of the visit the year before. From that a further document by ECCR was compiled and then a dialogue was commenced with the company, face to face. The whole of that process is recorded in the report.¹²

Even when collaborating between three Western, developed countries which all speak (almost) the same language and have common roots and sources, it can be difficult. It was to be found down the short-term experience that there were difficulties to be overcome and these were principally about culture, about legal entities and requirements, and about the pressures of other, pre-existent commitments. These things were, at times, very visible handicaps. When the first product of the partnership was produced and launched on the 19th September 1995, simultaneously in London, New York and Toronto, there was, in fact a document, which had significant differences within it according to the country, in question. This was because production requirements meant that it had proved impossible to reach agreement about all of the text. ECCR produced a document, which showed up the variance between the texts. ICCR and TCCR produced their own versions of the document.

One of the most notable variations of thought and language was around the title of the document [***The Principles for Global Corporate Responsibility – Bench Marks for Measuring Business Performance***]. It is a composite and a compromise. 'Bench Marks' was the original United Kingdom title for the concept and some of the partners to the Global Network use that title. Others prefer 'The Principles'. Further diversification arose around the title of the Conference held in 1999 (see later) which was entitled 'Globalising the Principles' from which 'Global Principles' began to be used. However, all the titles are regarded as interchangeable and recognised by all partners.

Nevertheless, people inside and outside faith communities immediately welcomed the concept, which was launched that day, as a significant break through towards a new understanding. It had flaws and inadequacies but it was, at the least, an interim attempt to define what we meant by corporate social responsibility. The fact that it was launched in partnership accompanied by a promise of further consultation, revision and development meant that it was possible for commitment to be made for the necessary further work to be commenced.¹³

¹² 'Under-Mining the Principles?', December 1994, ECCR

¹³ The 'Round One' text of the *Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance* jointly proposed by ECCR, ICCR and TCCR, September 1995.

The consultation process began immediately and was wide ranging. However, at the same time, the movement for the development of corporately responsible management was gaining strength and it was beginning to understand its 'global reach'.

*'On 10 May 1993, a fatal fire in the Kadar toy factory in Thailand killed 189 workers and injured 400. On 19 November 1993, a fire in Zhili toy factory in Shenzhen (China) caused more than 87 deaths'*¹⁴

The document went on to describe how...

These two fires shocked workers worldwide and generated waves of anger. Both factories, established by Hong Kong investors, did not meet international or local standards. Moreover, these cases only represent a tip of the iceberg. In fact, a considerable number of Hong Kong factories operation in developing countries fail to adhere to safety standards. In many of these factories, dormitories, warehouses and workshops are grouped in the same building. Meanwhile, dangerous chemical substances are commonly used and fire prevention measures are inadequate. Workers are confined to poor living space and overtime is compulsory.

For worker's safety and dignity, we strongly demand that Hong Kong toy industry institute a "Charter on the Safe Production of Toys" and immediately improve the conditions and management of sub-standard factories.'

The demand for the Charter contained an 11 point declaration and it was signed by organisations both in Hong Kong itself and from around the world including the International Confederation of Free Trade Unions (ICFTU) and trade union federations from around the world as well as NGOs in Britain, America, New Zealand, France, Australia, Sri Lanka, and Malaysia. There was a feeling that the pressure was mounting for change and that the struggle was shared, and that the Bench Marks process with which we had engaged as representing faith communities in some countries were part of the stream.

Some recognition of that involvement came later that year when SustainAbility, under-girded by the United Nations Environment Programme (UNEP), produced their two-part report of a study entitled 'Engaging Stakeholders'.¹⁵ These documents, as well as recording 12 case studies, contained a listing of 'Selected Centres of Excellence' which included both ECCR and ICCR as collaborators in the survey.

In May 1996 the Anglican Communion's Peace and Justice Network held a meeting in the USA, the report of which notes that the gathering was...

'pleased to learn of the successful launch of [the] document "Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance" – in September 1995, and the initiatives now being undertaken by the originating organisations to "test" the document in consultation with corporations and other interested parties in their respective countries with a view to refining and improving it, and to broaden the base of sponsoring organisations.

We strongly support these continuing initiatives and urge all member provinces to lend their support to this important project in ways that may be appropriate to them.

RESOLVED, that this Network endorses the principles and recommendations set forth in "Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance", and urges the member provinces to provide such support as may be appropriate to each for the ongoing initiatives to circulate for real world testing and refinement.'¹⁶

Around the same time in the UK two other groups came to notice as engaged in similar strategic activities. The London Benchmarking Group, sponsored by the NatWest Group, IBM, Whitbread, BP, Grand Metropolitan and Marks & Spencer, produced a report entitled 'Companies in Communities: Getting the Measure'¹⁷ and the Co-operative Bank Plc which had decided in 1992 to go 'ethical' at least

¹⁴ From a report entitled 'Charter on the Safe Production of Toys' in the Journal 'Partage' of the Mission Populaire Evangélique de France.

¹⁵ 'Engaging Stakeholders'. A two-part survey of company environmental reporting. Published by SustainAbility, London 1996.

¹⁶ 'Report of the Anglican Peace and Justice Network Meeting, May 13-24, 1996 held in New York and Washington DC.

in some aspects of its trading, in May 1997, produced their report of progress entitled, 'Strength in Numbers: Our Partnership Approach'.¹⁸

This report defined the way the Bank wanted to work towards a further development of what they called...

'our responsibility to invest our customers' money in accordance with their wishes. But partnership goes much further; it's based on the belief that, in every area of our business, we have an obligation to take into account the needs and interests of all those involved in our activities, or affected by them in any way.

*Crucially, this means taking a wider and longer term view. It means, for example, being concerned not only for our own staff, but also for their families. It means building lasting, mutually beneficial relationships with our suppliers. It means ensuring that the environmental impact of our business, and of our customers' businesses, is as benign as possible and, of course, it means listening to our customers' wishes and opinions, as part of a commitment to a genuinely two-way and continuing dialogue.'*¹⁹

At this time this is exactly what the three partners (ECCR, ICCR and TCCR) were engaged in. A consultation was going on which was trying to listen to 'the wishes and opinions' of a wide-ranging group of interests and to conduct 'a genuinely two-way and continuing dialogue' with them. It was proving to be a fascinating process. At the end of December 1996, after a process lasting 15 months since the launch of the 'Round One' version of the Bench Marks document, ECCR published a report entitled 'Reviewing the Consultation' which detailed much of the discussion and written responses which had been made.

The document included views on both the content and the text itself:

'I hope that the whole exercise does not simply demonstrate the difficulty of serving God and Mammon at the same time.'

'My experience from working inside two large corporations would suggest that it would be impossible to monitor all the points covered in the document even from within – let alone from outside!'

'While the principles, etc stated are impeccable, it is impossible to put them into practice because of the nature of western industry. Its need to use fossil fuels ensures injustice to future generations; the insistence on competition requires products to be made quickly obsolete...'

Examples of practically each and every item in the Bench Marks being ignored by MNCs in India can be given.'

'Material which starts off with a theological context will generally not survive beyond the first page in a business environment.'

There was a large amount of textual criticism. In this an attempt was made to place the original alongside the specific suggestions for change and improvement which came from those who had sent in responses. At certain points ECCR also provided comments from the discussions of its Global Issues Working Group which monitored the process throughout and maintained contact with the partner organisations. This proved to be invaluable when the next phase began – the work to develop the 'Round Two' text.

During 1997, EIRIS (the Ethical Investment Research Service) provided some careful analysis for ECCR to publish which tested out the 1995 text of the Bench Marks. It had been decided to make a test of the document by researching into the practice of one, highly respected British company, Marks & Spencer Plc. Incredibly, as it seemed at the time, M&S did not like being selected for this process. It refused to adopt the skin of a guinea pig and it was only with very great difficulty that any collaboration was

¹⁷ 'Companies in Communities: Getting the Measure' by David Logan of Corporate Citizenship International

¹⁸ 'Partnership in Numbers' published by the Co-operative Bank Plc

¹⁹ Excerpt from the Managing Director's letter accompanying the Bank's report.

obtained from the company. Even then they refused, on a variety of pretexts, to answer a great many of the questions which the research threw up. With hind-sight, it is possible to realise that, right then, the company was teetering on the borders of a dramatic decline from its institutional credibility. Things, indeed, have never been the same again.

The report, deriving its ideas and impetus from the ***Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance*** highlighted these issues on which M&S needed to respond:

- *Provide regular reports to the public on environmental performance and future plans*
- *Offer public consultation about the location of new company facilities*
- *Make provision of evidence about its actions to respond to 'environmental damage'*
- *Define a programme to eliminate the use of CFCs*
- *Move towards transparency on environmental issues*
- *Monitor its suppliers on environmental grounds*
- *Stop using suppliers whose activities are environmentally unsound and exploitative*
- *Adopt more employee friendly policies in respect of redundancy amongst its suppliers*
- *Create and follow much greater transparency about its garment sourcing policies*
- *Adopt a disclosure policy on corporate governance*
- *Reconstitute its Board in accordance with a pattern of a separation of powers*
- *Make alterations to its executive share options policy*
- *Be more open to the opportunity for representation and collective bargaining in the workforce*
- *Release the details of the list of practices which will be deemed 'unacceptable within any work undertaken for Marks and Spencer' – by a subsidiary or supplier*
- *Make its codes of conduct for suppliers and contractors available for assessment and verification*
- *Formulate a corporate Code of Conduct by which to measure the activity of its suppliers*
- *Find an appropriate strategy for monitoring its Third World suppliers*
- *Describe publicly its policy on animal testing*

All of these issues (except the last, which has never been properly defined in the Bench Marks document), were derived from an assessment, made, independently, by EIRIS and then highlighted by ECCR, directly from the 'Round One' text of the Bench Marks document. It resulted in great hopes being raised and encouragement for the revision process leading to the 'Round Two' version.

It had been decided that this could only be done through an extended Editorial Board meeting and it was determined that this would take place, by invitation of TCCR, in the Canadian city of Toronto in September 1997. Towards that end, many pieces of work were undertaken by each of the partners. Consultations were held at national level in each of the three countries. The views of NGOs and aid agencies and other players in the field were sought. Press briefings were made and feed-back was obtained. Texts produced by other organisations were consulted and, in some cases, recommendations for notice of these or referenced inclusion were made. This most notably happened in regard to the construction of the Appendices to the new document. A large file was built up on the work of other agencies such as the Forest Stewardship Council, the Caux Round Table Principles which came out of the Minneapolis Centre for Corporate Responsibility (MCCR) and the International Fair Trade Banana Producers' Register. In the meantime, some members of ICCR's Global Issues Group had become involved with the Clinton inspired, White House Apparel Industry Partnership and feed-back from that process informed the partnership's judgment.

All this activity led to various other organisations becoming aware of what the partnership was engaged with. They started to contribute their work to the process. Amongst those organisations there came such documents as these:

'Ethische Kriterien für die Bewertung von Unternehmen' (The Frankfurt-Hohenheimer guidelines for the ethical assessment of companies ²⁰

²⁰ from IKO – Verlag für Interkulturelle Kommunikation

'Open Trading: options for effective monitoring of corporate codes of conduct' ²¹

In late September 1997, the group, thereafter known as 'the Bench Marks Nine', met in Toronto. 'The Nine' were:

*David Hodgson, Barbara Hayes and Crispin White from ECCR;
David Schilling, Ruth Rosenbaum and Dolores Brooks from ICCR, and,
James Sullivan, Joy Kennedy and Daniel Gennarelli from TCCR.*

Long after an event of this kind it is difficult to explain what it was like then, but here is one summary statement from a participant in the process which, as near as possible, maps the event's success...

'First of all, and most importantly, there was the enormous 'blessing' (a topical reference to certain spiritual occurrences based on Toronto's international airport) of a totally agreed text which we could use as the basis for international collaboration ... relating to work and employment, the business and global environment and justice in the market-place which the document defines. The achievement of a text which we could all agree to and which includes a statement of a faith context from which it comes is a great joy and a great achievement. But there was more to this event; it was also an event of joyous discovery in one another's undertakings and commitments in the power of the gospel. We all came away from Toronto with a new understanding of the relationship which we have with each other and of our commitment to work together. We came to appreciate what it means for the church of Christ to be a 'transnational corporation'.

The 'Round Two' text was released in 1998 and it was immediately available in English, French, Spanish, German and Italian. Subsequently it has also been translated into Korean and Russian and all these versions are available from the partners to order. The whole document is the agreed and adopted product of all three partners and all three, ECCR, ICCR and TCCR subscribe to the text and use it to work through the patterns of corporate responsibility when dealing with corporations. The contents of the document are as follows:

THE CONTEXT OF FAITH AND PREAMBLE

THE WIDER COMMUNITY

*Ecosystems
National Communities
Local Communities
Indigenous Communities*

THE CORPORATE BUSINESS COMMUNITY

*The Employed – Conditions
The Employed – Persons
Women in the Workforce
Minority Groups
Persons with Disabilities
Child Labour
Forced Labour*

*Suppliers
Financial Integrity
Ethical Integrity
The Shareholders
Joint Ventures / Partnerships / Subsidiaries
Customers and Consumers*

GLOSSARY OF TERMS

APPENDICES

*The Business Charter for Sustainable Development
The CERES Principles on the environment
Principles and Criteria for Forest Stewardship
Bellagio Principles Toward Sustainable Development
ILO Convention (No 160) on Indigenous and Tribal Peoples
Amoco Canada Petroleum Co Ltd. Aboriginal Policy*

²¹ from the Monitoring and Verification Working Group of the Catholic Institute for International relations (CIIR), 1997

International Code of Ethics for Canadian Business
GM Board Guidelines on Corporate Governance
The Code of Best Practice (Cadbury Code)
Industrial Labour Organisation (ILO) Standards (extracts)
The Convention on Rights of the Child (extracts)
Convention on Elimination of all forms of Racial Discrimination (extracts)
Wood-Sheppard Principles for Race Equality in Employment
International Covenant on Economic, Social & Cultural Rights
Convention on Elimination of Discrimination Against Women
Beijing Declaration
Equal Opportunity of Employment for Women
United Nations Draft Declaration on Gender Equality (extracts)
A Code of Practice for the Employment of Disable People (extracts)
International Labour Organisations (ILO) Conventions (extracts)
The Macbride Principles for Northern Ireland
White House Apparel Industry Code of Conduct
The Advertising Code (extracts)'.
'

The document in its new, 'Round Two' format attracted considerable attention and notice. On Tuesday, February 16, 1999 there was held, in the Church Center for the United Nations on 777 United Nations Plaza in New York an event for which the invitations card read...

*The Ecumenical Team gathered for the 37th session of
the UN Commission on Social Development*

cordially invites you to a reception to present the publication

*"Principles for Global Corporate Responsibility:
Bench Marks for Measuring Business Performance"*

prepared by the Ecumenical Council for Corporate Responsibility (UK and Ireland)

The Interfaith Center on Corporate Responsibility (USA)

and the Taskforce on the Churches and Corporate Responsibility (Canada)

Prior to this event, on 2 February 1999, a letter from the Revd Dr Sam Kobia, Director of the Cluster on Issues and Themes of the World Council of Churches in Geneva and his colleague, the Rev Myra Blyth, Director of the Cluster on Relations, was sent to the 37th Commission for Social Development at the UN. That letter reads:

'Dear Ambassador

As you begin your deliberations at the 37th Commission for Social Development and the initial overall review of the implementation of the outcome of the World Summit for Social Development, we would like you to consider the enclosed **Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance.**

Fully endorsed by the World Council of Churches, this is the achievement, over several years, of ecumenical organisations in Canada, the United Kingdom and Ireland and the United States. These Bench Marks were put together as a guide for consumers and corporate managers interested in shaping ethical and socially responsible investing.

As discussed in previous Commission meetings, corporations need to address global concerns about human rights, just wages and safe working conditions, child and forced labour, the environment and sustainable community development. Company codes of conduct are one mechanism for discussing those questions. Today, a number of global corporations have made strides in formulating and revising their codes of conduct and devising internal auditing programmes to measure compliance, but more remains to be done.

The Bench Marks are a tool to provide for corporate responsibility and but one collaborative effort to create effective institutions of global governance. We hope you find them of value in your deliberations on further initiatives for the implementation of the outcome of the Summit.'

The ECCR version of the '**Round Two**' text of the **Principles for Global Corporate Responsibility: Bench Marks for Measuring Business Performance** was released with this statement at its front...

'This document is the work of three partners ECCR, ICCR and TCCR and is their collective distillation of the issues of concern to faith communities in regard to business corporate responsibility. The partners hope that, gradually, they may form coalitions of concern with other faith communities around the world with similar national connections and that the text will be adopted by these groups.'

In putting forward that hope it was clearly understood by all three partners that when it came to the 'Round Three' text, it would be essential that the production was influenced by faith communities in the countries of 'the South' and of the former Soviet Union. To that end, almost immediately, plans started to be laid for an international Conference to 'Globalise the Principles'.

After very careful preparation and a wide search for participants, the Conference was held at Hengrave Hall, Suffolk in the United Kingdom from 26-30 April 1999. It was attended by a total of 53 people who came from 21 countries:

Australia, Bolivia, Brazil, Bulgaria, Cameroon, Canada, China (Hong Kong), Colombia, El Salvador, Germany, India, Kenya, New Zealand, Nigeria, Peru, South Africa, South Korea, the Philippines, the United Kingdom, the United States of America, Zimbabwe

The Conference issued a concluding statement in which those assembled undertook:

- 1. to expand the application of the Principles to communities in Africa, Australasia, Europe and Latin America;*
- 2. to establish an effective network of communication, linking regional and national networks to facilitate sharing information and experiences on the application of the Principles;*
- 3. to implement pilot projects focusing on specific TNCs operating in both the South and the North;*
- 4. to popularise the Principles and make contact with various social organisations, communities and relevant sectors;*
- 5. to continue to document the effects of globalisation;*
- 6. to take immediate action to support specific struggles of workers and communities against TNCs wherever they occur;*
- 7. to take steps towards developing an expanded Principles document reflecting the experiences of a variety of groups and communities responding to TNCs;*
- 8. and to constitute a Steering Committee to facilitate the implementation of the Conference recommendations.*

Some of those proposals have been achieved, with greater or lesser success but the full realisation (two years later) still escapes the embryo network. The Steering Group does meet by teleconference and it endeavours to work forward to greater commitment. There have been some successful developments of collaboration in both Australia and South Africa. Attempts to do the same sort of thing in Bulgaria and Colombia have so far failed because we have been unable to support the events with appropriate amounts of funding. The work towards 'Round Three' has only just begun and a strategy for its development is still proving to be a struggle. However, the achievement of the Conference itself – just getting that many people from those 21 countries together to look at these vital issues was, in itself, a splendid achievement – yet there is no room for complacency!

TCCR has made a splendid contribution to the process in the interval since the Conference. They launched a process under the title 'Bench Marks: Raising Expectations for Corporate Performance' producing a study of 'Corporate Social & Environmental Responsibility Commitment & Transparency' which was released on May 1, 2000. The press release issued that day gives a clear account of the project and its outcomes:

'Canadian corporations have a long way to go before becoming "good corporate citizens," according to a study released today by a responsible investment group.

The study suggests that most Canadian corporations are still not voluntarily upholding acceptable levels of human rights, social justice and environmental standards. Not only is adherence to standards poor, but most of the companies also appear to be hiding their social and environmental shortcomings from stakeholders and the public.

Based on data provided by business research consultancies ... [it] reports on the extent to which eight high-profile Canadian companies have developed and implemented measures to meet their corporate social and environmental responsibilities. The report also examines the willingness of companies to provide information about these responsibilities.

The eight companies assessed were Barrick Gold Corp., Bombardier Inc., Inco Ltd., Nortel Networks, Placer Dome Inc., Shell Canada Ltd., Suncor Energy Ltd., and Talisman Energy Inc...

Key findings of the study include:

- 1) *The level of voluntary commitment to and implementation of social and environmental codes of conduct varies among corporations, but is currently at an unacceptable level for all but two of the companies examined;*
- 2) *Most companies are not being completely transparent either to shareholders or to stakeholders who are impacted positively and negatively by business activities; and*
- 3) *The effectiveness of voluntary corporate codes of conduct need to be improved.'*

This study moved the process forward considerably because it could only have been done by first designing a score card system for the Bench Marks document. This was a considerable challenge in itself but one which was readily accomplished in TCCR's work. Here is how they did it:

'The study assessed the level of commitment, implementation, and transparency for each section in Bench Marks. Overall, three types of answers were provided:

- 1) *Yes, a commitment had been made or a performance measure had been implemented;*
- 2) *No, a commitment had not been made or a performance measure had not been implemented; and*
- 3) *No answer or insufficient information was provided, hence the reader could not be certain whether a commitment had been made or a code of conduct had been implemented.*

Commitment & Implementation

1. *Positive answers received one mark (+1). Some of the indicators contain several parts so part marks were provided for partial commitment or implementation. Each of the 140 indicators was given an equal weighting of one (1).*
2. *Negative answers received a neutral mark of zero (0). The mark remained neutral because it indicated honesty and a good level of transparency in that the company admitted that no commitment had been made. Company respondents had, at least, acknowledged the criteria and the fact that they had neither made a commitment nor implemented a specific code of conduct measure in this area.²²...*

The scores for each company were tallied for:

- 1) *Overall commitment (as measured by the 74 Criteria.);*
- 2) *Commitment by subsection;*
- 3) *Overall implementation (as measured by the 66 Bench Marks); and*

²² There is an interesting echo here to the words of John Hughes, Head of Public Affairs, RTZ Limited (now Rio Tinto Plc) as reported on page 5 of this document, above. 'The administrative effort and expense involved in keeping abreast of their development is not inconsiderable. Add to that the time and overhead costs of completing a detailed check list of measures such as Bench Marks, particularly in highly decentralised corporate structures such as our own, and you will appreciate a not unnatural reticence among many companies to get involved in this field at all. This is counterproductive to the objective I believe we all share. Perhaps, therefore, it is time for a degree of rationalisation to be attempted?' A case for assessment perhaps?

- 4) *Implementation by subsection* The totals were averaged and a Commitment and Implementation Rating was assigned.

Commitment and Implementation Rating System:

High level of commitment / implementation: 76 to 100 percent

Reasonable level of commitment / implementation: 51 to 75 percent

Unacceptable level of commitment / implementation: 1 to 50 percent

No commitment / implementation: zero

Transparency

Where a company provided no or insufficient information, a penalty mark of minus one (-1) was assigned for lack of willingness to be transparent in reporting. These marks were also tallied and a Transparency Rating was assigned:

Transparency Rating System

High level of transparency: 76 to 100 percent

Reasonable level of transparency: 51 to 75 percent

Unacceptable level of transparency: 1 to 50 percent

No transparency: zero

In some instances, a particular Criteria or Bench Mark did not apply to a company. It was up to each company to point out these areas, and then TCCR decided whether this was the case. If it was the case, then the score for the given section was adjusted accordingly. If not, then the company was treated as if it had not provided sufficient information.'

In October 2000 the three partners really became aware of the impact of the 'Global Reporting Initiative' (GRI). In June 2000 the GRI had published its 'Sustainability Reporting Guidelines on Economic, Environmental and Social Performance'. This has been seen as a challenge to be reckoned with because it represents a draft code, which is already accepted by many large companies as well as many NGOs and government agencies. The concern, therefore, is, does the GRI match with the Global Principles? In environmental issues it is clearly wider than the Global Principles but in other areas, especially in matters of concern regarding employees and conditions of employment, the GRI is seriously lacking when stacked against the Bench Marks. This is, in part, due to the source of the GRI concepts...

'...Nonprofit advocacy groups, meantime, are leaning on corporations to make ethics a higher boardroom priority. The Coalition for Environmentally Responsible Economies [CERES] in Boston, whose members include environmental, public-interest, labour and religious organisations, spent 18 months developing guidelines and spun off a separate group called the Global Reporting Initiative.

*Forty-eight companies volunteered to respond to the guidelines, and 21 – including Bristol-Myers Squibb, Ford, General Motors, Procter & Gamble and Shell – were selected to analyse and refine them...'*²³

Some of the 'religious organisations' mentioned in this report are members of ICCR but not members of its Global Issues Group where ICCR has concentrated its work on the Global Principles. There was a concern, immediately, that these members would be anxious to commit ICCR to supporting the GRI. As, in some areas the partnership felt that the Bench Marks might be thus undermined, work was commenced, and is on-going, to both participate in the GRI debate with its proponents and also to undertake a 'Gap Analysis' of the two texts, directly comparing the Bench Marks with the GRI. A grid document was prepared for this purpose.²⁴

This is only one of a host of initiatives that have come into being in recent years. Nowadays the 'market-place' of corporate responsibility is almost 'over-stuffed'! In 1993 it felt as if it was a barren zone. Faith communities were out there exploring in a wilderness that no one wished to inhabit. Today

²³ 'Management: Getting Religion on Corporate Ethics: A Scourge of Scandals Leaves Its Mark' by Amy Zipkin. *New York Times*, 18 October, 2000.

²⁴ 'Bench Marks (BM) & Global Reporting Initiative (GRI): Analysis and Comment' TCCR, Toronto, 2001

there are hundreds of groups participating in the process and in many different strategies. Examples of this are groups such as...

Transparency International

In 1996 TI introduced 'a programme against international corruption' with 'Standards of Conduct' for:

- Article I: Respect for laws and standards*
- Article II: Improper inducements*
- Article III: Agents and consultants*
- Article IV: Financial disclosure*
- Article V: Political contributions*
- Article VI: Definitions*

SA8000

In 1997 the Council on Economic Priorities (CEP) [now The Center for Responsibility in Business] produced SA8000 which it claimed was 'Setting the Standard for Corporate Social Accountability'. It is said to be 'A comprehensive, global, verifiable standard for auditing and certifying compliance with corporate responsibility'. It covers nine areas of concern:

- Child Labour*
- Forced Labour*
- Health and safety*
- Freedom of Association*
- Discrimination*
- Disciplinary Practices*
- Working Hours*
- Compensation*
- Management*

The Philip Morris Institute

In November 2000 the Institute, jointly with the OECD Leed [Local Economic and Employment Development] programme, hosted 'an international Roundtable' with the title "Partners in Progress" and published to accompany it a document entitled 'The Challenges of Corporate Social Responsibility: Towards constructive partnerships'.²⁵ The document, which contains the reservation that, 'The views expressed in this report are not necessarily the views of the Philip Morris Institute for Public Policy Research asbl, the members of the Institute or the members of its Editorial Board, or the LEED Programme', carries these chapter headings:

- I – What makes a company socially responsible*
- II – Transparency, accountability, credibility*
- III – The transatlantic dimension*
- IV – The European experience*
- V – A catalyst for change in Europe*
- VI – The challenges ahead*

There is just a feeling here of being somewhere else! Perhaps it is to do with the sponsoring organisations and especially recalling that the corporation involved is also under heavy political, legal and financial pressure because of one of its product lines!

The Department of Trade and Industry (UK Government)

Having appointed a Minister for Corporate Social Responsibility (Kim Howells) the Department of Trade and Industry (DTI) produced a document (available on a Website at www.societyandbusiness.gov.uk) which highlights the issues and offers case studies of the concepts it elucidates.

²⁵ Available free of charge by written request from PMI Publications – Fax: (32-2) 230 44 87 E-mail: admin@pmi-inst.org

Business in the Community

In November 2000, Business in the Community, UK produced a guide called 'Winning with integrity: A guide to social responsibility' from its Business Impact Task Force. In 9 separate volumes it defines its concepts:

Summary
Purpose and Values
Workforce
Marketplace
Environment
Community
Human Rights
Guiding Principles
Appendices with 'Other key initiatives'

Indeed the field had become so crowded that it was becoming necessary to analyse what was going on. ICCR undertook that piece of work and produced '**A Content Comparison of Various Codes of Conduct Global Corporate Accountability**'. In chart form, this showed patterns for measuring accountability, assessing eight other organisations against the Global Principles document. These organisations were:

American Apparel Manufacturers Association Code
Caux Principles
Fair Labor Association
Global Reporting Initiative (GRI)
Global Sullivan Principles
SA8000
US Business Principles for Human Rights of Workers in China
Worker Empowerment Consortium

WHITHER NOW?

It is, indeed, a crowded place to be. However, there are still some fundamental concepts, which need to be reached out for and, when found, to be clung on to. Many of the players in the field have aspirations, which, to say the least, come from very different kinds of inspiration to that which was the driving force of the Bench Marks process. Faith communities have had a clear motivation throughout the process we have explored together to be true to the inspiration of the gospel message and its implications for humanity. They look to explore the way human beings relate to each other and do business with each other and the pursuit of those goals is enabled by the fact that some 'power' does actually reside in the hands of those who own parts (often significant parts) of large, transnational companies. The message remains to be that...

'The Church, which is the largest transnational organisation in the world, has to learn how to behave 'transnationally'.

Another step forward was taken on 1 March, 2001...

'Launching the Bench Marks in South Africa A message from Bishop Jo Seoka

Thank you for your support and the letter [of encouragement from the Globalising the Principles Steering Group] made a lot of difference as people began to realise the extent of the network. We had what most people called a successful conference. Archbishop Tutu was wonderful as always and the guest speaker who is an Anglican Christian and former MD for Transnet one of the biggest parastatal businesses was just too good on ethical investment. We reached our participant target with big business, NGOs, Unions, Church and research institution. So there was broad participation. We did not have BOSS present but people responsible for corporate responsibility. A Committee was elected to take the process further. The Bench Marks were adopted but [we] realised that [a] code relevant for South

Africa would need to be developed. Three areas were identified as missing in the Bench Marks because of its Northern bias. Poverty, HIV / AIDS and equality. These are to be included to meet local challenges...'

Then, to bring the story right up to date – it was announced that, on Friday 30th November 200, the newly formed **Christian Centre for Socially Responsible Investment** in Australia had taken the decision to adopt the Bench Marks.

The Centre has the following as its 'Statement of Purpose':

Gradually, it may be possible to widen the net still further – but there is much to learn on that route. There is much still to be undertaken. The Global Network needs a lot of development input – probably more than the resources (human and financial) we currently possess to sustain it. The 'Round Three' text needs a lot of research and careful editorial work to bring it into being – and that is a task which must take account of the issues already raised by the partners in the South such as those which come from Bishop Jo's comments. Nevertheless, a firm foundation has been laid. The structure will need a lot of devotion to be achieved.

*The Revd. Crispin M White
The Global Principles Secretariat
c/o ECCR Ltd
PO Box 4317
Bishop's Stortford
CM22 7GZ
United Kingdom*

*Telephone: +44 (0) 1279-718274
0)1279-718097
te@eccr.org.uk*