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The ORSE newsletter

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In brief

Extracts from the round table on «integrating CSR and sustainable development in the field of social dialogue and negotiation», held on 9 September at the CESE.

Michèle Pappalardo, Commissioner-General for Sustainable Development: «One of the great innovations of the Grenelle summit was to include unions in the discussions....»

Figure of the month

600,000

the number of green jobs that should be created by 2020 according to Boston Consulting Group

Editorial

SOCIAL DIALOGUE AND CSR

ORSE published its report on «CSR, a lever for the renewal of social dialogue» [in French] during a conference on 9 September at the French Economic, Social and Environmental Council (CESE), in the presence of Xavier Darcos, Minister of Labour, Social Relations, Family and Solidarity and Valérie Létard, Secretary of State to the Minister of State, Minister for Ecology, Energy, Sustainable Development and Sea, with the participation of representatives from the MEDEF and trade union confederations: CGT, CFDT and CFE-CGC.

This report contributes to the ongoing work of the Grenelle environment summit, in particular, the operational committee on «companies and CSR». Rather than seeing public regulation and good corporate practice as opposing approaches, ORSE considers that they are complementary, as they mutually complete and enrich each other.

This is the spirit in which ORSE presented two guides in 2009: on promoting parenting among male employees, on the one hand, and on professional equality, on the other. These guides aim to provide a concrete, pedagogical illustration of the way in which companies can satisfy a legal obligation: the principle of professional gender equality.

The working group on social dialogue and CSR, chaired by John Luc Vergne, DHR of the BPCE group (to whom I wish to offer great thanks for the work he has achieved with companies and ORSE member trade unions, using the multi-stakeholder approach that has, in a way, become our «trademark»), who has promoted the innovative capacity of social actors on this subject.

The guiding principle for the report was as follows:

- to show how high quality social dialogue can benefit corporate sustainable development strategies;



Daniel Lebègue, president of ORSE

- to use the CSR concept to reconsider and enrich social dialogue methods and practices;
- to optimise the conditions for such social dialogue by emphasizing the importance of training, mobility and the recognition of the professional careers of employee representatives.

The report formulates proposals aimed at enriching and renewing corporate social dialogue and taking better account of societal and environmental issues.

It illustrates, through innovative enterprise agreements and practices, the potential for new perspectives in social dialogue (societal, environmental) and identifies the new players who must be taken into account (associations, NGOs, rating agencies).

In coming months, the social partners will have to examine both the consequences of the law on the level of representation of unions and the practical implementation of Article 53 of the August 2009 Grenelle Law on the extension of the competencies of personnel representative bodies to include sustainable development issues.

ORSE is at the disposal of social partners and public authorities to help identify, share and promote best practices in the field of renewing social dialogue and taking account of the issues raised by corporate social responsibility.

Daniel Lebègue
President

Valérie Létard, Minister of State, attached to the Minister for Labour, Labour Relations and Solidarity

interview



Valérie Létard

► You were kind enough to honour us with your presence at the conference/debate organized at the CESE for the publication of the ORSE working Group Report.

Could you, first, remind us of the Grenelle Environment Summit commitments concerning the role of personnel representative bodies in environmental matters and the practical perspectives they open up?

What emerged from the Grenelle environment round-table on governance was the will to better incorporate employee representatives in debate within companies on sustainable development, the environment and public health issues.

Accordingly, several provisions were included in the draft Grenelle 2 Law:

- include sustainable development and public health issues within the competencies of Works councils and employee based hygiene, security and working conditions committees (CHSCT),
- allocate more time to the environment in the planning of corporate training,
- develop access to expertise in environmental themes.

In addition, with a view to strengthening Article 53 of the August 2009 «program» law relating to the Grenelle environment process, I am in contact with the Ministry of Labour and Social Relations to propose that the social partners

approach their Grenelle commitments as part of a wider debate on the renovation of personnel representative bodies.

► You will be presenting a review to the Parliament of sustainable development reports by companies under the NRE 2001 Law.

Can you summarize the conclusions of this review and tell us what perspectives it opens?

The NRE 2001 Law has facilitated the mobilization of large companies.

Indeed, every CAC 40 company is now providing social and environmental information to its shareholders.

However, the reports themselves are disappointing and do not really allow a comparison between companies.

In order to go even further, the Government has proposed that, through the so-called «Grenelle 2 Law», the Parliament should extend the requirement for a sustainable development report to all companies with more than 500 employees and turnover of more than 43 million Euro.

We have tried to propose a fair balance between demands from employer organizations that are against any extension of the current system and those of the other stakeholders (unions, associations) that want to include SMEs or even VSEs!

My ambition is to use the NRE mechanism to promote the strategic importance of sustainable development for companies.

Thus, I want companies to be able to access good practices guides, methodological resources and shared sectoral indicators.

For this reason, I am in favour of creating an Internet platform dedicated to CSR and I encourage the concerned parties

to start participating in this initiative right now.

► On 9 September 2009, you presented a plan to the Council of Ministers for the mobilization of industries and territories for the development of green growth related trade.

What are the main aspects of this plan, which aims to free up the potential for 600,000 green jobs in the next 12 years?

In order to elaborate this plan for the development of green growth related jobs, I have set up a national pilot committee composed of elected representatives, representatives of government authorities, players from the employment and corporate world, social partners and ministerial services, whom I brought together for the time first on 13 October 2009.

It has a major mission: identify, sector by sector, our needs in terms of green jobs and the training required to provide them.

To that end, I have also set up 10 industrial committees representing the sectors the most likely to create jobs: agriculture, transport, renewable energies, accommodation and building, waste disposal...

We are proceeding in parallel with experiments at the regional level.

Alsace has already made known its interest in such experimentation, which is a good start. In January 2010, at the request of the President of the Republic and in relation with Jean Louis Borloo, we will organize a national conference on green jobs, during which we will present the entire «trade plan» to the interested partners, especially social partners, training agencies, companies and, of course, local governments.

The RSE, a control lever of transformation of the social dialogue in companies

focus

in brief

The ORSE Report, presented to the Economic, Social and Environmental Council on 9 September 2009, is the fruit of work conducted in the context of a group bringing together the union confederation members of ORSE (CFDT, CGT, CFE-CGC) and the human resources directors of ten companies. This group met several times in the course of 2008 under the chairmanship of Jean-Luc Vergne, DHR of the BPCE group.

The aims of the working group in compiling this report were as follows:

- to identify new societal and environmental themes entering the field of social dialogue, and which range from the environment to ethics, corruption, human rights and working hours... Since there are no theoretical limits on corporate action, the members of the group studied the boundaries that should be defined between the responsibilities of public authorities, companies and individuals.
 - to take account of the appearance of new stakeholders asking companies to take increased responsibility in society, obliging them to reconsider their modes of governance. The members of the group discussed the appropriate place for NGOs and the way these corporate changes, symbolized by the concept of CSR, impact on the activity of human resources departments and personnel representative bodies.
- for large listed companies and/or those that wish to increase brand value, the international dimension of these issues is essential, requiring a trans-national framework for debate on CSR with union bodies.

A number of initiatives have been taken based on international framework agreements, or the role played by European works councils. Trans-national social dialogue raises issues concerning the articulation of such dialogue between the local, national, European and global spheres.

The report concludes that it is essential to better articulate these differing levels in the common interest of companies and union representatives, so as to avoid doubling up.

The members of the working group also conclude that the actors of social dialogue, personnel representative bodies (PRBs) must be fully recognized by companies with a double objective:

- ensure that as many wage-earners as possible can accede to representative mandates;
- give mandated wage-earners the power to interact with directors at the same level of competency.

One of the issues that was addressed by the working group was the return to the company of trade union activists who have been detached to work in their section, federation or confederation for several years. Very often, neither human resources departments nor union bodies have a strategy for the return of such activists. Although they have acquired new skills related to their union commitment, they are often proposed a return to the same position they held in the past.

One element that is holding back the renewal of social dialogue at all levels (companies, professional and inter-professional branches) is the absence of any global strategy for recognition of the career of union representatives in a professional framework. This absence of recognition, both by unions and companies, has resulted in low turnover within trade union teams.

Both the law of representation and the development of the CSR concept within companies raise questions about the nature of their mandate, its duration and level of implication (some members of the group expressed a preference for limiting the detachment of union representatives to 50% of their work time).

Finally, the report concludes that one of the key elements for the renewal of social dialogue is the need to take account of the experience acquired in the exercise of a representative mandate in the career development of wage-earners (these are the terms of the common position adopted by the social partners on 9 April 2008).

Extracts from the speech by Xavier Darcos, Minister for Labour, Social Relations, the Family, Solidarity and the City at the ORSE conference:

«As Minister for Labour and Social Relations, I am acutely aware of the relation that you have established between CSR and social dialogue...

Among the examples of action by my Ministry to promote socially responsible companies, concerning professional equality between women and men, the report by Brigitte Grésy provides interesting perspectives and I will launch debate on this subject with our social partners this autumn.

I also salute the engine-room role played by ORSE on this subject, notably with the guide that you have developed on good practices concerning professional equality...

The form of social dialogue I intend to promote is structured, open social dialogue, led by participants whose legitimacy is uncontested...

We need unions with more members. The figures are well known: only 5% of private sector wage-earners are unionized in France, which places us in last position amongst European countries.

These are not satisfactory conditions for effective social dialogue. I will therefore ask my services to combat all forms of union discrimination and ensure that the rights of personnel representatives are guaranteed...».

«Evolution of the NRE mechanism: a summary of the opinions of interested parties»

current event

During debate on Article 53 of the draft «3 August 2009» programming law for the Grenelle environment process, parliamentarians asked for a public assessment of the NRE (New Economic Regulation) mechanism to be conducted before considering its extension in the draft Grenelle 2 Law.

For that purpose, in February 2009, the Commission-General for Sustainable Development invited organizations interested in the NRE mechanism to provide a report on the Mechanism and the proposed extension.

The overall assessment provides a summary of the contributions from 24 responses, composed of 23 separate opinions (the French Banking Federation endorsed the position expressed by the Medef).

It raises 5 main themes:

- **A useful, mobilising mechanism**
Overall, the respondents find that the NRE mechanism has had a beneficial effect on the awareness and mobilization of companies.

- **Take account of difficulties when preparing the extension of the mechanism**

The contributions note a series of difficulties encountered by companies, leading to the dissatisfaction of stakeholders. The proposal to extend the law falls midway between corporate demands and those of stakeholders.

- **Sanctions unapplied due to the insufficient mobilization of stakeholders**

The partial application of the mechanism has raised a demand for sanctions from NGOs and unions. As a bare minimum, they want a

list of companies in breach to be established by the administration (creation of a central reporting repository). Another suggestion is non-financial rating conducted by the public authorities themselves.

- **Clarification of the consolidated framework in a global context**

Article 83 of the draft law, prepared by the government, proposes a consolidation perimeter for social and environmental information that would include subsidiaries and controlled companies (Article L233-1 and L233-3 of the Commercial Code).

- **A decree that should be applied more strategically, or even updated to adapt it to the international context.**

The decree is criticized in all of the contributions and its lack of pertinence

is pointed out on a regular basis. It does not integrate the European context and is incompatible with the referentials developed at the global level. The status of the list of required information is not clear: are they indicators or themes? However, not everyone agrees about possible amendments.

The summary of contributions has just been sent to the speakers of the Senate and National Assembly.

Michèle Pappalardo, Commissioner-General for Sustainable Development, has declared that, after a vote on the «Grenelle 2» law, currently under discussion in the Senate, the government will issue a new decree to align the NRE mechanism with international and European instruments and allow comparison between companies.

CSR: instruments engendered by the Grenelle Environment Summit

CSR was discussed by group 5 of the Grenelle summit (ecological democracy, institutional reform and governance), then in the «Comop 25 – companies and CSR» chaired by Daniel Lebègue. The proposals made by group 5 and Comop 25 are now being translated into legislative instruments.... As regards the 2001 NRE law, Article 53 of the 3 August 2009 Law, called «Grenelle 1» stipulates:

- a - that it may be extended to all companies, except SMEs. (note: Art. 83 of the «Grenelle 2» law has set the limit at companies with more than 500 employees and turnover of 43 million euro.
- b - that it may include the activity of the subsidiaries of all companies subjected to this obligation;
- c - that it may include information relating to the contribution of the company to sustainable development.

In addition, Art. 53 stipulates that:

- the Government will support the harmonization of sectoral indicators at the community level;
- union organizations representing employees and employers will be allowed to add a sustainable development mission to the attributions of personnel representative bodies;
- the State will support the establishment of corporate management quality labels in the environmental and social spheres;
- France will propose the community wide introduction of the principle of responsibility of parent companies for subsidiaries in case of serious environmental damage.

ORSE

EVENTS

Diary

→ ORSE Conference

«How to better promote SRI?»

Tuesday 10 November 2009 from 2:15 pm to 6:00 pm - Grand Auditorium - NYSE Euronext

In connection with the launch of its Guide to the promotion of SRI by financial establishments, ORSE is organizing a conference-debate with the support of the Ministry for Sustainable development, in partnership with Paris EUROPLACE, AFG, FIR and Novethic:

«Can SRI contribute to creating sustainable growth? Although a growing number of institutional investors seem to be convinced of it, serious awareness raising and pedagogical efforts are needed for the general public».