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The **ORSE** newsletter

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In brief

➔ **Workers & sustainable development**

DDB Corporate and Com'in have associated with Opinionway to find out how workers perceive the dynamics of their companies and the role they can/want to play on sustainable development issues

79% would like to know more about the action and projects of their company in this area, and 87% would like it devote more time and money to it.

Figure of the month

\$87million

highest ever penalty inflicted on BP for security failings at an American site.

Editorial

WOMEN AND CORPORATE GOVERNANCE

Women only represent 9% of directors in major French listed companies, less than in most other developed countries. Yet promoting the presence of women on company boards improves their effectiveness, thus strengthening corporate governance in France.

This is the clear message from the report on "The access to and representation of women in corporate governance bodies" published on 15 September by the French Institute of Directors (IFA - Institut Français des Administrateurs), the European Professional Women's Network – Paris (EuropeanPWN) and ORSE.

The association of IFA, through its commitment to better corporate governance, ORSE, given its action in the sphere of professional equality, and EuropeanPWN-Paris, the aim of which is to promote the progress of professional woman throughout their careers, led to a joint study allowing a precise evaluation of the current situation, the establishment of an international benchmark and the presentation of initiatives taken to improve the representation of women in boardrooms.

In particular, the study enumerates the obstacles encountered, the measures taken in a range of countries to overcome them, the chosen means of implementation and their results. It also presents the recent announcements by major financial investors. This unique reference will allow everyone to understand the difficulties involved and identify possible ways to advance.

The issues of women's access to governance bodies and representation in governance functions is made complex by the range of problems it raises.

Yet the fact that this issue is now being raised and recent media attention show



Daniel Lebègue, president of ORSE

an acceleration in the rhythm of current change, faced with the combination of a historical economic crisis and serious modifications in economic and demographic equilibriums, in a context of globalization in which competencies will be increasingly redistributed without reference to either national origin or gender.

The rhythm of adaptation can only increase and the convergence of the rules of the game for social factors towards international standards will strengthen the governance mechanisms of both major companies and States.

The pressure of competitiveness will inevitably translate into greater attention to human capital in both qualitative and quantitative terms, and the modification of the operational modes and behavior of companies wishing to preserve their image and competitive advantage.

It now appears inevitable that high level careers of women will become banal and that the current transitional period will be marked by co-option mechanisms based on best international practice.

If we wish to accelerate the access of women to positions of responsibility immediately, it is possible, given the pool of women who already have the adequate competency profiles and experience, to begin to change following the guidelines laid out in the report.

Daniel Lebègue
President

The UNEP (UN Environment Program) Life Cycle Initiative has recently published a guide entitled "Guidelines for Social Life Cycle Assessment (SLCA) of products".

Joint interview with Bernard Mazijn, Professor of sustainable development at the University of Ghent (Belgium), piloting the working group on SLCA



Bernard Mazijn

and Pierre Mazeau, Head of mission CSR in the HRD of the EDF production / engineering office, who participated in the working group as chair of the group on core issues for ISO 26000, and is a member of the GRI.



Pierre Mazeau

► Why did the UNEP set up the working group on SLCA, and how?

Pierre Mazeau: In 2002, UNEP and SETAC (Society for Environmental Toxicology and Chemistry) launched the Life Cycle Initiative to develop expertise on environmental LCAs. In 2005, in order to round out its environmental approach to social and societal data, UNEP set up the working group and called on Bernard Mazijn, who had already been working on the subject for ten years, to head it up.

Bernard Mazijn: indeed, from 1995 to 2004, I worked on a research project concerning sustainable development LCAs integrating environmental, socio-economic and societal data, aimed at creating a sustainable development label.

► What are the characteristics of a SLCA? What are the differences compared with an environmental LCA (ELCA)?

Bernard Mazijn: an LCA deals with quantitative data, tons of CO₂ for example, whereas an SLCA is qualitative or semi-qualitative.

In the first case, you can work with a computer, based on generic data.

In the second case, you have to take account of the

circumstances, actors and companies in the chain...

That means going into the field and collecting data...

Take the example of a tee-shirt: the environmental impact of cotton can be calculated, for a typical production, whatever its origin. On the contrary, from a social viewpoint, you need to know what country the cotton comes from, the region and sometimes even the company(s).

Pierre Mazeau: There are real differences of approach and, at the beginning, the shock of cultures between engineers from the world of LCA and people from the CSR sphere like me was "rough". But we worked for 4 years in a spirit of convergence: the SLCA guidelines comply with the ISO 14040 and 14044 LCA norms as well as the ISO 26000 and GRI referentials.

► Will the SLCA be truly applicable?

Won't it be too expensive?

Bernard Mazijn: cost is a relative notion when one recalls, for example, the cost to Nike of campaigns against the social practices of its suppliers!

If they had anticipated through an SLCA... But it is clearly a method that is mainly aimed at major companies; but this can

evolve with the integration of tools (databases, software...). Its main merit is to introduce life cycle thinking: analysis "from cradle to grave".

Pierre Mazeau: This approach has the added advantage of promoting debate at the international level. Just as we can no longer conduct CSR today without introducing stakeholder dialogue, soon we will no longer be able to do so without including the LCA approach.

Download the guide:

<http://lcnitiative.unep.fr/includes/file.asp?site=lcnit&file=524CEB61-779C-4610-8D5B-8D3B6B336463asp?>

feature

An SLCA does not seek to reply to questions about ethical acceptability, to know whether a product should be manufactured or not... It is a technique that provides information to allow incremental improvements... It does not provide significant solutions for sustainable consumption or lifestyles

in brief

→ Companies and human rights

John Ruggie, the special representative of the UN Secretary-General, responsible for the human rights and transnational companies issues, published a report recapitulating the main elements of the "Protect, Respect and Remedy" framework (June 2008) and

presenting the strategic orientations he has followed until now to make this framework operational.

Despite the economic crisis, he claims that the question of business and human rights remains essential for three reasons:

- in the first place, it is in times of crisis that human rights are at greatest risk
- in second place, strengthening the international human rights regime against corporate violations encourages the universally sought transition to a more integrated, more

sustainable world economy

- in third place, the "protect, respect and remedy" framework provides the means of achieving these objectives.

How to promote the access to and representation of women in corporate governance bodies?

focus

in brief

In a context of increased awareness of good governance practices and burgeoning public debate concerning the place of women in governance bodies, IFA (the French Institute of Directors), ORSE (the French study center for CSR: Observatoire de la Responsabilité Sociétale des Entreprises) and EuropeanPWN-Paris (European Professional Women's Network Paris) have prepared a summary of "The access to and representation of women in corporate bodies".

Extracts

1. Situation overview

In the United States, the boards of directors of the 500 largest companies in the country do not have more than 15% women on average. In the European Union, based on a study of the largest public listed companies, boards of directors only have 11% women on average. France is slightly below the European average, with 9% women on the board (conseil d'administration) of its major listed companies.

2. Why are women in the minority?

In general, there are organisational, cultural and behavioural barriers, such as:

- the preponderance of men in key positions excludes women from the networks they establish;
- corporate culture favouring ambition and availability (traditionally not associated with feminine behaviour);
- certain HR processes can be discriminatory in practice, etc.

Women have more difficulty adhering to the current "anytime, anywhere" performance model, which is irreconcilable with a double family and professional burden (unbalanced share of household and parental tasks).

3. Existing legislation on the representation of women in corporate governance bodies.

For example, in Spain, the Parliament adopted a law in 2007 requiring "balanced" representation of women on boards by 2015 (40%).

Similarly, in Norway, the Parliament adopted a law in 2003 requiring gender equality on boards by 1 January 2008: if the board has more than nine members, each gender must have at least 40% representation.

4. Public initiatives aiming to promote the place of women in corporate governance bodies (reports, parliamentary bills...)

In France, a female member of the lower house of Parliament (Mrs. Zimmermann) tabled a Bill in October 2008 relating to the access of women to social and professional responsibilities. It would require the board of directors of all companies covered by the Code of Commerce to have "not less than 40%" representation of each gender.

5. Initiatives launched by major financial players (pension funds...) to increase female representation.

Dedicated investment funds for the representation of women in companies have been established, such as the "Women's Equity Mutual Fund", based in San Francisco, the "Love Me Premium", a Japanese fund, and the Swiss "Amazon Euro Fund". Similarly, a dedicated stock index, the "North America Women Investment Index" (NAWI), was set up in 2009.

6. Gender diversity = corporate added value

Some studies have shown that the presence of women on a board of directors had a favourable impact on the financial performance of the company. A 2007 study of the results of the 89 European companies with the strongest representation of women in their decision-making bodies notes that, as compared with the industry average, their financial performance was above average as regards average ROE (11.4% as against 10.4% on average), average EBIT (11.1% as opposed to 5.8%) and stock exchange capitalization (stock price growth from 2005 to 2007: 64% as against 47% on average).

7. (Non-legislative) tools for increasing the presence of women in corporate governance bodies

There are many ways of "facilitating" the presence of women in corporate governance bodies, for example:

- Awareness-raising action aimed at the chain of directly concerned players;
- Influential leaders making a stand;
- The establishment of "pools" of women eligible to act as directors;
- The development of professional, expertise and other networks

→ Climate Wars: why does one kill in the XXIst Century?

Harald Welzer is a German psycho-sociologist, specialized in the evolution of societies and violence.

In his latest book (Gallimard in French), published just before the Copenhagen Summit, drawing on the lessons of past historical situations (especially the history of nazism) and surmising that the Western model of natural resource exploitation has reached its limit, he comes to the conclusion that more and more people will have less and less bases to ensure their survival: violent conflicts will oppose all those who want to feed themselves from the same land or drink at the same dwindling sources.

Soon the distinction between refugees escaping war and those escaping their environment, between climatic and political refugees, will no longer be relevant due to the multiplication of new wars generated by environmental degradation.

Wars induced by climate will be the direct or indirect form of conflict resolution in the 21st Century and violence has a great future ahead of it: humanity will see not only massive migration, but also violent solutions to refugee problems; tension over the right to water and its exploitation, but also real resource wars; and wars of religion or of conviction.

Advertising and the environment: reduced greenwashing preserves self-regulation

current event

The 2009 review of "Advertising and the environment" conducted by Ademe and the ARPP, presented to the Minister for Ecology Jean-Louis Borloo and his Secretary of State Chantal Jouanno on 15 September, raised a serious issue: the survival of the French advertising self-regulation mechanism that has been in place for 70 years!

A negative review would have revitalized the proposal for an administrative control body, a «High Authority», specifically requested by NGOs, during the Grenelle environment summit.

Debate on the issue of responsible advertising during the Grenelle environment summit ended with some ambiguous final recommendations:

- control advertising more strictly as regards sustainable development and the environment;

- advance the current self-regulation concept (BVP) towards a co-regulation approach to advertising.

The position of Jean-Louis Borloo was less ambiguous, when he threatened, at the time: "succeed in this mutation or we will be obliged to set up a more coercive "High Authority" for advertising".

As a result, in April 2008, all advertising professionals rushed to sign a Charter of commitments and objectives for eco-responsible advertising with Jean-Louis Borloo.

Then in June 2008, they transformed the BVP into the ARPP, the French Authority for professional regulation of advertising, including a paritarian council for advertising (CPP - Conseil Paritaire de la Publicité) and an advertising ethics jury (JDP - Jury de Déontologie Publicitaire).

It would appear that this reform of the self-regulation mechanism has borne fruit: the 2009 ADEME/ARPP review finds that, although the environmental pitch was used five times more in 2009 than in 2006, 90% of the 15,698 adds reviewed during the first semester of 2009 are in full compliance with sustainable development rules or those covering the use of ecological pitches (as compared with only 60% in 2006!); only 7% (73 cases) raised concern and 3% (28 cases) showed failings.

The two ministers are happy with the results... and therefore with self-regulation, but NGOs such as the OIP (an independent observatory of advertising) find the review biased, because it does not take sufficient account of the unequal power of message distribution "according to whether one plays it on a

national TV network during prime time, reaching 17% of viewers, or in the local press with limited distribution...

This is an important point, because the power of distribution of a message is essential in the evaluation of its impact on public opinion".

Finally, for the FNE, the main weakness in the new mechanism lies in "the absence of sanctions (beyond television advertising, which must be endorsed by the ARPP before distribution)".

The FNE also asks for "the means to sensitize the profession about the new ethical rules.

The new ARPP sustainable development recommendation (in force since 1/10/09) does not mean much if the advertisers do not understand it".

More than half of all directors believe that ethics is also the responsibility of boards of directors

A study by PricewaterhouseCoopers entitled "corporate ethics and company boards" presented at IFA day (French Institute of Directors) on 21 October, more than half of all directors of SBF 120 companies consider that ethics are also the responsibility of company boards, which must deal with such issues.

Two-thirds of those who responded declared that the Board deals "at least once a year" (40%) or «in a regular programmed way» (35%) with corporate ethics related issues and only a quarter of them observed that "the Board only does so rarely or not at all".

The Majority is against any strengthening of public regulation on the subject, but they do recognize that the simple approach by conformity is insufficient and more than half called for a new balance between law and self-regulation.

On the main issues, the opinions of European directors are aligned with those of the SBF 120, but those directors questioned in Europe are more affirmative about the important role of the board of directors in the management of ethical questions (72% of the non executive directors, 56% of the chairmen; as opposed to 32% and 38%, respectively, for France).

The survey is available (in French) at www.pwc.fr

ORSE

EVENTS

Diary

→ Planetworkshops
The Global Conference,
26-27-28 novembre 2009, Deauville

Just before Copenhagen, Planetworkshops are on the international agenda to prepare the after-Kyoto. On the theme of "Build a new balance", the three days will discuss the break-up of the global financial crisis, which is a major reality, but also the "crises junction", referred to by Daniel Cohn Bendit, in "Que faire"?

Further information and registration:
<http://www.planetworkshops.org>