



Accelerating Corporate Social Responsibility in the new EU Member States and Candidate Countries to promote harmonization, competitiveness, and social cohesion

P R E S S R E L A S E

COMPANIES ASPIRE TO SOCIAL RESPONSIBILITY IN CENTRAL AND EASTERN EUROPE

A study of 288 companies across eight new European Union and candidate countries by the United Nations Development Programme (UNDP) reveals that multi-national companies -- not consumer groups -- lead the way in social responsibility.

Brussels, 26 June 2007—The United Nations Development Programme (UNDP) presented here today the first comprehensive regional study of the private sector's commitment to corporate social responsibility (CSR) in eight Eastern European countries: Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovakia and Turkey. The study is based on interviews conducted with managers in the participating countries. The research covers service and manufacturing sectors, including finance, extractive, chemical and agri-business. Forty-eight percent of the respondents represent local private businesses, 35 percent came from multinational enterprises, and 17 percent were from state owned companies.

"Eastern Europe has learned that markets are indispensable for fast growth, but we also need institutions that can remedy the less positive consequences of the drive for profits," said Kori Udovicki, UN Assistant Secretary-General and UNDP Assistant Administrator. "Corporate social responsibility is one such tool to help ensure that everyone benefits from growth."

Key findings of the report "Baseline Study on CSR Practices in the New EU Member States and Candidate Countries" include:

- It is business itself which takes the lead to make socially responsible processes and policies part of their operations
- These initiatives are usually driven by multinational enterprises that follow their own international code of conduct and internationally recognized standards
- The impact of civic and consumer interest groups is still limited due to the underdevelopment of the non-government sector

The report, written by Mark Line (United Kingdom) and Robert Braun (Hungary), concludes with recommendations to each of the main stakeholders.

Recommendations to governments:

- Identify a particular government department to take the lead on CSR issues
- Hold wide, multi-stakeholder consultations on CSR policies
- Develop national CSR strategies
- Lead by example, e.g. in public procurement

Recommendations to civil society:

- Promote education to elevate socially responsible attitudes
- Exchange best CSR practices among companies and business associations
- Become a strong partner in dialogue with governments and private sector

Recommendations to businesses:

- Improve reporting systems
- Adopt internationally recognized standards
- Learn and grow through partnerships with relevant CSR organizations, associations and institutions

UNDP and its partners consider CSR a valuable tool to improve competitiveness and profitability of participating companies. The report was launched today in Brussels. Please download the full report at: www.acceleratingcsr.eu/en/articles

About the Project: The baseline analysis was carried out as part of a regional project on "Accelerating CSR in the new EU Member States and Candidate Countries to promote harmonisation, competitiveness and social cohesion". The Project aims to advance the implementation of CSR practices in the New Europe: Bulgaria, Croatia, Hungary, Lithuania, Macedonia, Poland, Slovak Republic and Turkey. Germany, Spain and the United Kingdom are contributing to exchange of experience and good CSR practices. The project is funded by the European Commission and UNDP.

About CSR: Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns into their business operations and in interactions with stakeholders on a voluntary basis. CSR is an important tool for the private sector to actively contribute to sustainable development, which is a long-term goal of EU. Some newer EU Member States, and Candidate Countries, face challenges to integrate sustainability principles on a country level in order to reach coherence with other EU countries. The UN Global Compact Initiative is one of the biggest CSR initiatives in the world, facilitated at country level by UNDP.

About UNDP: UNDP is the UN's global network to help people meet their development needs and build a better life. We are on the ground in 166 countries, working as a trusted partner with Governments, civil society and the private sector to help them build their own solutions to global and national development challenges. Further information can be found at www.undp.org

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