

15. Social corporate responsibility and FADN

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Social Corporate Responsibility - History

- Milton Friedmann (1972):
“The social responsibility of business is to increase its profit”
...“As long as it stays within the rules of the games”
- World Commission on Environment and Development (Commission Brundtland, 1987): “Our common future”
 - Harmony between people, and between people and natureDefinition: Satisfy needs of the current generation without threatening the possibilities for future generations to satisfy their needs”
- Bodyshop (1995):
“To dedicate our business to the pursuit of social and environmental change”
- OECD: Guidelines for multinational enterprises

SCR-definition

SER (the Netherlands):

- Create value for society

Dutch government:

- Do more than laid down in the law

Possible interpretations of SCR:

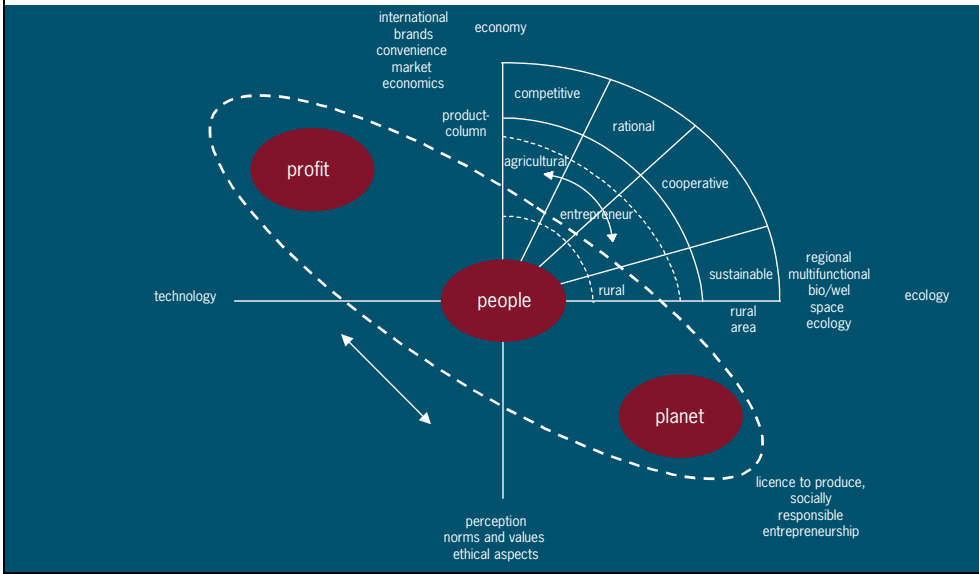
1. Report about the company (transparency)
2. Sustainability of society (carrying capacity, stock and flow, objective)
3. Do business in a way that society desires (stakeholder perspective, subjective)

People, Planet, Profit

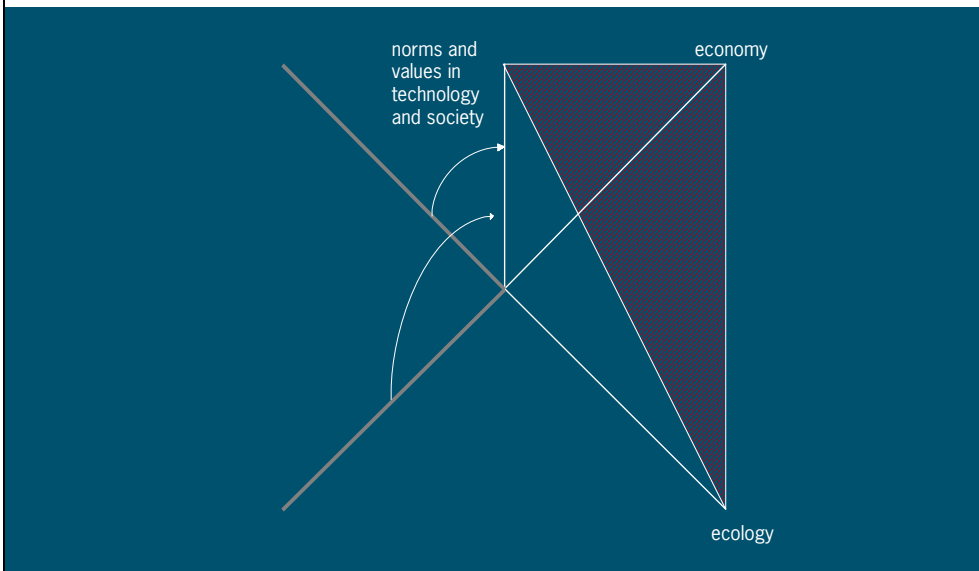


Norms and values in
technology and society

Licence to produce



Optimize 3 P's



Social Corporate Performance

Wood:

- Motives, principles
- Processes and policies
- Impact

- Global Reporting Initiative (GRI)
 - Initiative of US Coalition of Environmentally Responsible Economies (CERES) and UN (1997)
 - Goal: Improve the quality of sustainable reporting
 - Participants: businesses, accounting bodies, investor organisations, trade unions etc.
 - September 2002: new guidelines
 - Vision, Profile, Processes and Performance

SCP in practice

Selection for ethical investment funds (listed stocks):

- Dow Jones Sustainability Index
 - Annual reports
 - Questionnaire: a lot of questions about vision and processes
- Arese, Banque Paribas and FTSE4Good

Agriculture:

- European Commission: environmental indicators (2001)
- OECD: Environmental indicators (2000)
- EC and OECD: Projects started for social/people indicators

SCP and agriculture

Agricultural themes:

- Specific environmental indicators
- Food safety
- Animal welfare
- Animal health
- GMO

Lei (2002):

- Questionnaire for measuring sustainability of project proposals
- SCP benchmark study for Dairy Industry

However:

- No indicators on all themes yet
- No weighting and integration yet

SCP and FADN

- EC environmental indicators
EU-FADN can be used for 4 out of 35 indicators
- LEI Ecological indicator (environment and nature/landscape)
Dutch FADN can be used for about 2/3 of indicators

However:

- Hardly any indicators available about "People"
- No information about Vision and only partly about Processes (quality marks etc.)

Discussion:

- Should FADN be used for measuring SCP?
- How could FADN be improved for this purpose?