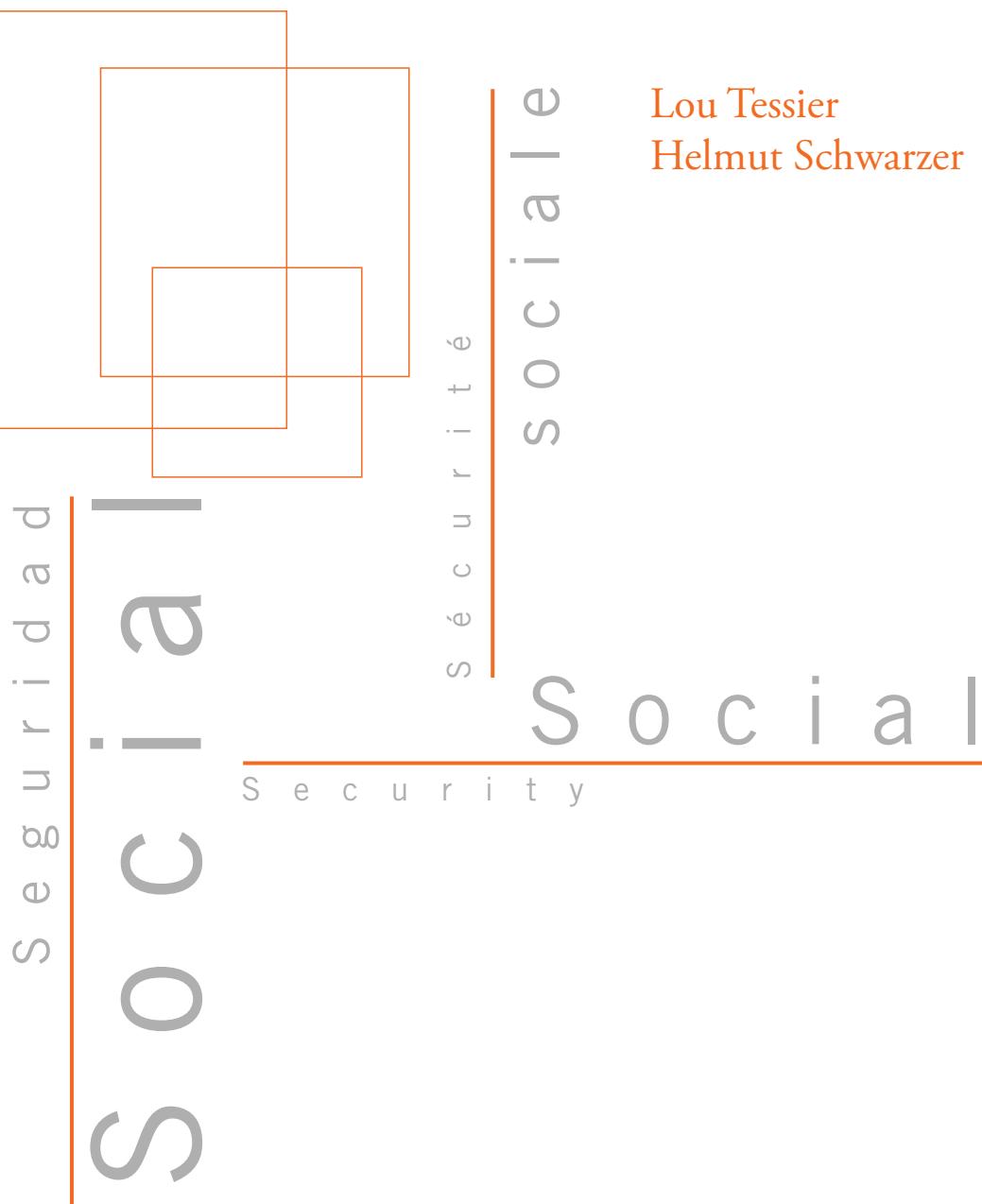


Working paper

The extension of social security
and the social responsibility
of multinational enterprises:
An exploratory study



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Foreword

The International Labour Organization (ILO) has been supporting global advocacy for the extension of social security for more than a decade. Since 2003, with the launch of the global campaign for the extension of social security agreed at the 89th Session of the International Labour Conference (ILC) in 2001, the ILO has been gradually advancing the theme of social protection internationally in order to achieve a global consensus.

Thus, in 2009, the Chief Executives Board for Coordination (CEB) of the United Nations, with support from the UN High-level Committee on Programmes (HLCP), adopted a global Social Protection Floor (SPF) Initiative as one of nine initiatives in response to the global economic crisis. The fact that countries benefiting from advanced social protection systems have been more resilient to the crisis demonstrates the stabilizing, countercyclical role of social protection. Thus, SPF was included in the G20 agenda since the Cannes Summit in 2011. In June 2012, the tripartite representatives of the 185 ILO member States adopted the Social Protection Floors Recommendation (No. 202). This new international standard establishes the principles and provides practical guidance for the implementation of social protection floors and, more broadly, for comprehensive systems of social protection via two-dimensional strategies for the extension of social security to be defined at the national level.

In this context, the ILO Department of Social Protection initiated the monitoring and collection of information on the activities of multinational enterprises (MNEs) relating to social protection. In particular, this work was done on the basis of the significant ILO work on the theme of corporate social responsibility (CSR), especially since the adoption in 1977 and 2006 of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (the ILO MNE Declaration).¹

This exploratory study presents the main results of research on:

- the possible contributions of CSR to the extension of social security from a conceptual point of view;
- the state of research on the topic and an analysis of the activity of more than 100 MNEs in terms of social protection, through the analysis of their commitments and public reporting; and
- the experience of 15 MNEs in the implementation of social protection coverage for all of their employees.

The results of the reporting analysis suggested that there is significant interest from multinational companies that are historically based in France in the issue of the extension of social protection to all their employees. Indeed, the decision to conduct a more thorough investigation on 15 MNEs, in collaboration with the French Study Centre for Corporate Social Responsibility (*Observatoire de la responsabilité sociétale des entreprises* –

¹ Available at: http://www.ilo.org/public/libdoc/ilo/2006/106B09_303_engl.pdf.

ORSE),² was made on the basis of this observation. The results are set out in the second part of this paper.

As part of its mission to monitor business practices relating to social responsibility, ORSE sets out to discover as much as possible about the evolution of corporate commitments in the field of social protection. Accordingly, the work of ORSE converged with that of the ILO through the joint development of a survey of 15 MNEs with head offices in France. The survey, which focused on the coverage of health and death contingencies,³ is included in the second part of this document, taking up the elements discussed in the interviews topic by topic and providing a synthesis.

It must be emphasized here that this exploratory study on the relation between the extension of social security and CSR does not imply that this is the position of the organizations mentioned therein. The authors, however, are solely responsible for the content of, any opinions expressed and any omissions or mistakes made within this paper.

² The *Observatoire de la responsabilité sociétale des entreprises* (ORSE) is a French not-for-profit association set up in June 2000 on the initiative of a range of players, and now has over 100 members including:

- major industrial, services et finance companies;
- fund management companies and investors;
- professional and social bodies; and
- environmental and human rights NGOs.

³ Specifically, the elements corresponding to the following benefits: health care, sickness, maternity, invalidity and survivors' benefits (see Glossary). Old-age benefit coverage is often referred to but was not studied in detail, partly because the enterprises in question did not wish to do so but also because it appears that social protection policies regarding old age are less centralized in corporate social protection policies and result from more comprehensive national legislation than for other contingencies.

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Executive summary

Conceptual framework

This exploratory study sheds light on the possible conceptual framework for the relationship between the extension of social security and CSR, especially as regards MNEs. In particular, it shows various possible entry points to the ILO two-dimensional strategy for the extension of social security: through the voluntary provision by a company of coverage going beyond legal obligations to all employees, their families and possibly their surrounding community; through the enrichment of social dialogue relating to the involvement of employees in the establishment of such coverage by enterprises; and also through the formulation of market responses to the social protection needs of the poor. Operational implementation in the corporate value chain can be achieved through certain support functions (human resources, procurement) and through the operations.

Social protection for all workers in multinational enterprises: A recent and growing concern

A review of the literature on the subject demonstrated that the link between social protection and CSR was as yet uncharted territory for the research community. Moreover, this analysis highlighted the fact that, with the exception of the ILO MNE Declaration, existing global CSR normative tools place little or no emphasis on social protection. There are no standardized reporting tools on the issue of social protection (see Appendix I for an analysis of CSR reporting standards). As a result, companies do not report systematically on their activities in this field and, when they do, each of them follows its own methodology.

An analysis was conducted on international framework agreements (IFAs) and the public reporting of over 100 listed MNEs.¹ It reveals that only 25 per cent of companies in the S&P 100² report on social protection issues, while only 7 per cent of IFAs have provisions on social protection. Yet it is also clear that the voluntary extension of social protection coverage for all employees by companies is a direction taken by a number of MNEs, especially companies based in France (see Part I of this study). This finding led to the conduct of a survey of 15 MNEs based in France concerning the voluntary extension of coverage to all employees. There still remains room for research on the other entry points identified in the conceptual analysis of the relationship between the extension of social security and CSR.

Results of the survey of 15 MNEs

It is interesting to note that the main business motivations for the extension of social security coverage to all employees are relatively close to an operational deployment of some of the conceptual arguments in favour of the global extension of social security – in

¹ A complete list of IFAs is included in Appendix 3, and a complete list of the companies analysed in Appendix 4. A description of the analytical method used is included in the Part I of this study.

² An index calculated by the Standard & Poor's rating agency, the S&P 100 includes the 100 largest global companies listed on US stock exchanges and included in the SP 500 index. These companies are characterized by both their turnover and the extent of their global implantation.

particular, a process of investment in human capital aiming in the long run to create a virtuous circle both for the company (improved productivity, lower staff turnover and so on) and also for employees, their families and possibly the surrounding community.

It should also be noted that the levels of commitment and the long-term vision of the respondents vary significantly. In particular, a schematic distinction may be made between MNEs providing strong, centralized leadership over the definition of the guarantees to be covered and of the minimum levels of coverage, and those that adopt a strategy of progressive harmonization of benefits as the opportunity arises. These differences in vision strongly influence implementation (in terms of centralization and monitoring).

Overall, it appears that implementation is relatively decentralized and that a large number of companies cover most contingencies through private insurance companies. Although the details of implementation vary, all the companies surveyed based their policy on supplementing existing statutory social protection provisions.

Perspectives

More research and systematic documentation of international practices should allow better monitoring of the activities of large multinational groups and also an assessment of whether their initiatives may – or may not – be effectively integrated into the national strategies of host countries to extend social security and more widely into national development strategies and the fight against poverty. The following research orientations could be included:

- i. The conduct of a broader investigation covering companies from numerous countries, including emerging economies, should create basic documentation on the issue of social protection in CSR action. This could lead to the establishment of an observatory in charge of analysing the impact of these initiatives, including at the national level.
- ii. The documentation of practices at the global level would also provide an opportunity to develop a toolkit for organizations wishing to introduce a social protection component into their CSR policy.
- iii. Advocacy work should be conducted with the global CSR bodies to increase the recognition of social protection as an important aspect of CSR policies.
- iv. This global advocacy work should also be translated into guidelines directed at rating agencies and adapted to the agencies setting reporting standards in order to include social protection indicators and, ultimately, to provide greater visibility and value to social protection in the CSR context, including amongst investors.

List of acronyms

BU	business unit
CEB	United Nations System Chief Executives Board for Coordination
CSR	corporate social responsibility
EMF	European Metalworkers' Federation
GRI	Global Reporting Initiative
GUF	global union federation
HR	human resources
ICEM	International Confederation of Energy, Mining & General Workers Unions
IFA	international framework agreement
ILC	International Labour Conference
ILO	International Labour Organization/Office
IMF	International Metalworkers' Federation
IMF	International Monetary Fund
IUF	International Union of Food workers
MDGs	Millennium Development Goals
MNE	multinational enterprise
NGO	non-governmental organization
NRE Law	Loi sur les nouvelles régulations économiques (Law on new economic regulations) (France)
ORSE	Observatoire de la responsabilité sociétale des entreprises (French Study Centre for Corporate Social Responsibility) (France)
SPF	Social Protection Floor
UN	United Nations
WHO	World Health Organization

1. Introduction

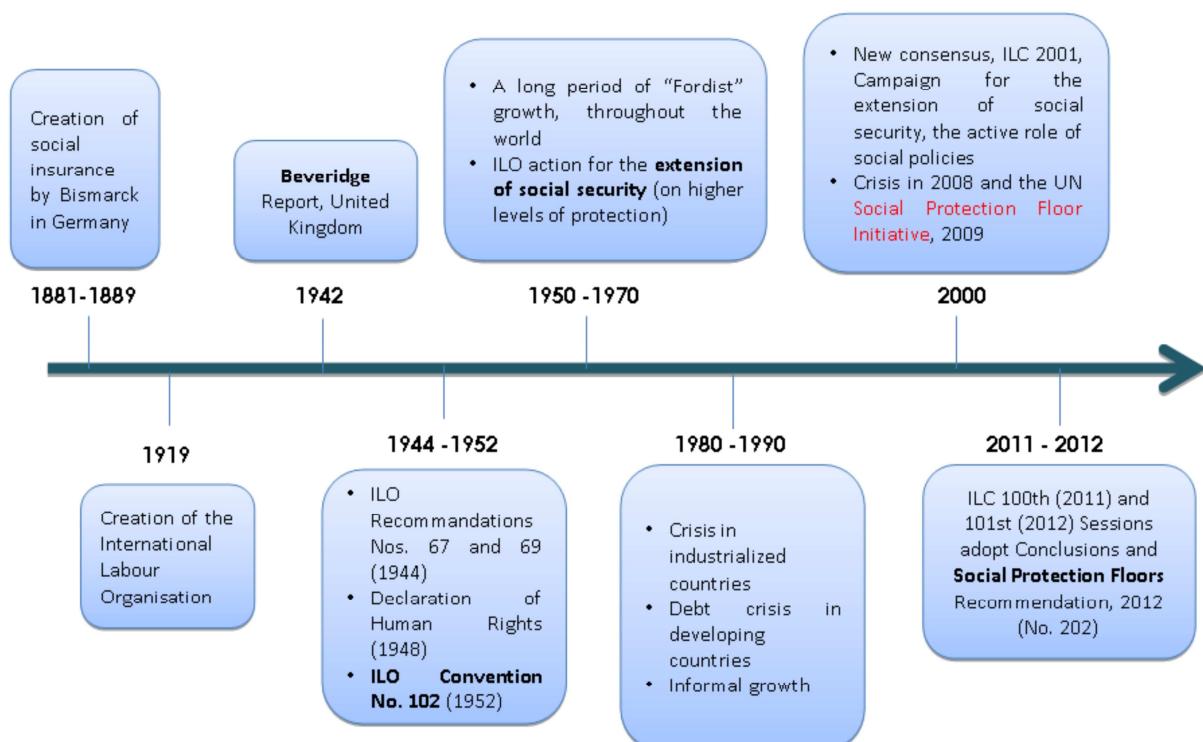
The purpose of this introduction is to briefly present the conceptual approach that led to this study and the methodology used for its realization. To this end, the pertinence of the issue relates to the global context of social protection floors and comprehensive social security systems development. The global consensus on social protection in the early 2000s and the gradual emergence of the concept of social protection floors have sparked renewed interest in social protection on the part of the international community. This interest was converted into commitments from representatives of government, trade unions and employers from the 185 ILO member States at the 101st Session of the International Labour Conference (ILC) in June 2012.

Given possible overlaps between the current enthusiasm for the extension of social security and the rapid development of private initiatives in the social and environmental fields, it seemed important to study the relationship between CSR in multinational enterprises and the extension of social security.

1.1. The emergence of a new international conceptual framework: The Social Protection Floors Recommendation, 2012 (No. 202)

The emergence of the concept of social protection floors within the ILO, and then more widely in the international arena, has been a gradual process that accelerated due to the global economic crisis of the late 2000s (see figure 1). However, ever since its creation in 1919 the ILO has considered social protection as a central issue, which lies at the heart of its mandate.

Figure 1. Timeline leading to the SPF Recommendation, 2012 (No. 202)



In 2009, the Chief Executives Board for Coordination (CEB) of the United Nations, with support from the UN High-level Committee on Programmes (HLCP), adopted the Social Protection Floor (SPF) Initiative as one of its nine joint initiatives to address the global crisis. The CEB appointed the ILO, in collaboration with the World Health Organization (WHO), as the lead agency for the SPF Initiative. This initiative brings together a coalition of global advisory networks including UN agencies, the World Bank, the International Monetary Fund (IMF) and other organizations and development partners such as regional development banks, bilateral donors and NGOs.

The SPF concept was widely discussed and adopted in various national, regional and international conferences between 2009 and 2012, particularly during the G20 summits and those on the Millennium Development Goals (MDGs). This broad international recognition illustrates the growing importance of social protection in the context of poverty and inequality reduction.

In June 2012, the 101st Session of the ILC adopted a new international labour standard: the Social Protection Floors Recommendation, 2012 (No. 202). Governmental, employer and worker representatives from the ILO's 185 member States adopted this recommendation almost unanimously. The Recommendation complements the ILO's social security strategy, adopted in 2011.

The new Recommendation provides guidance to establish comprehensive social security systems and extend social security by giving priority to the establishment of national social protection floors accessible to all in need.

Paragraph 5 of the Recommendation stipulates that to ensure effective access to health care and basic income security throughout the life cycle, “social protection floors (...) should comprise at least the following basic social security guarantees”:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

Such guarantees should be provided at least to all residents and children, as defined in national laws, subject to international regulations.

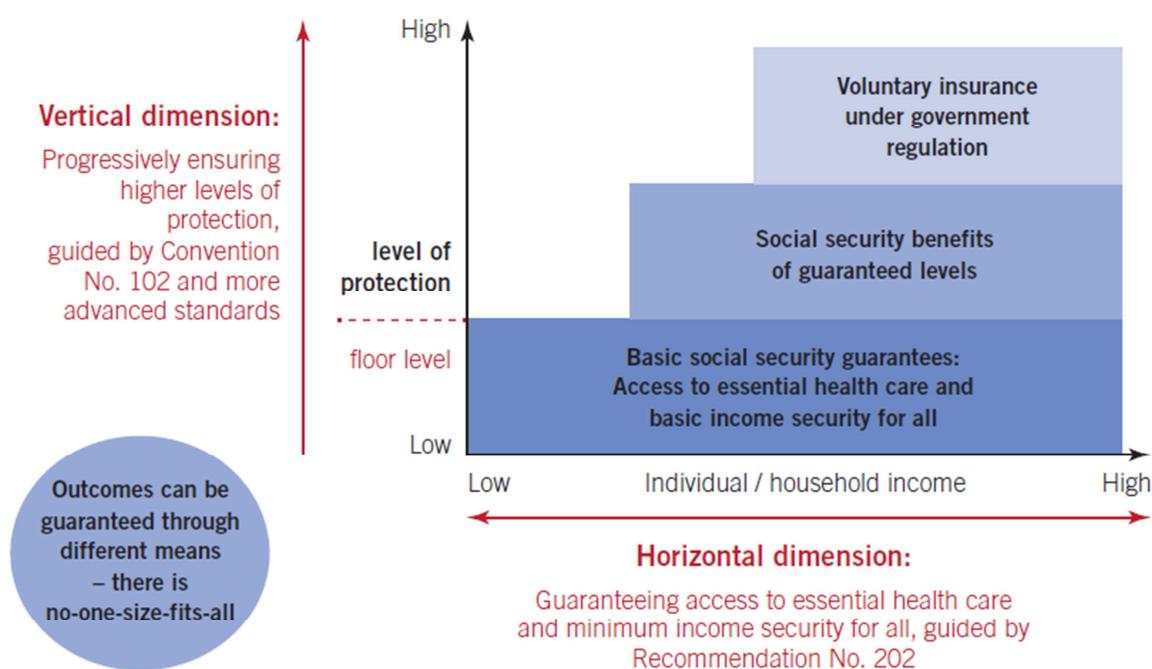
The two-dimensional strategy for the extension of social security, as defined in the Resolution and Conclusions of 2011 and further strengthened by Recommendation No. 202, comprises the following elements:¹

¹ Recommendation No. 202, paragraphs 1 and 2. See also the conclusions of the *Report of the Committee for the Recurrent Discussion on Social Protection*, International Labour Conference, 100th Session, Geneva, 2011, paragraphs 8–14.

- establishing and maintaining of social protection floors as a fundamental element of national social security systems (*horizontal dimension*); and
- pursuing strategies for the extension of social security that progressively ensure higher levels of social security to as many people as possible, guided by ILO social security standards (*vertical dimension*).

This two-dimensional strategy for the extension of social security should aim at building comprehensive social security systems in line with national priorities, resources and circumstances. It can be illustrated as follows (figure 2):

Figure 2. ILO two-dimensional strategy for the extension of social security



Source: ILO, 2012

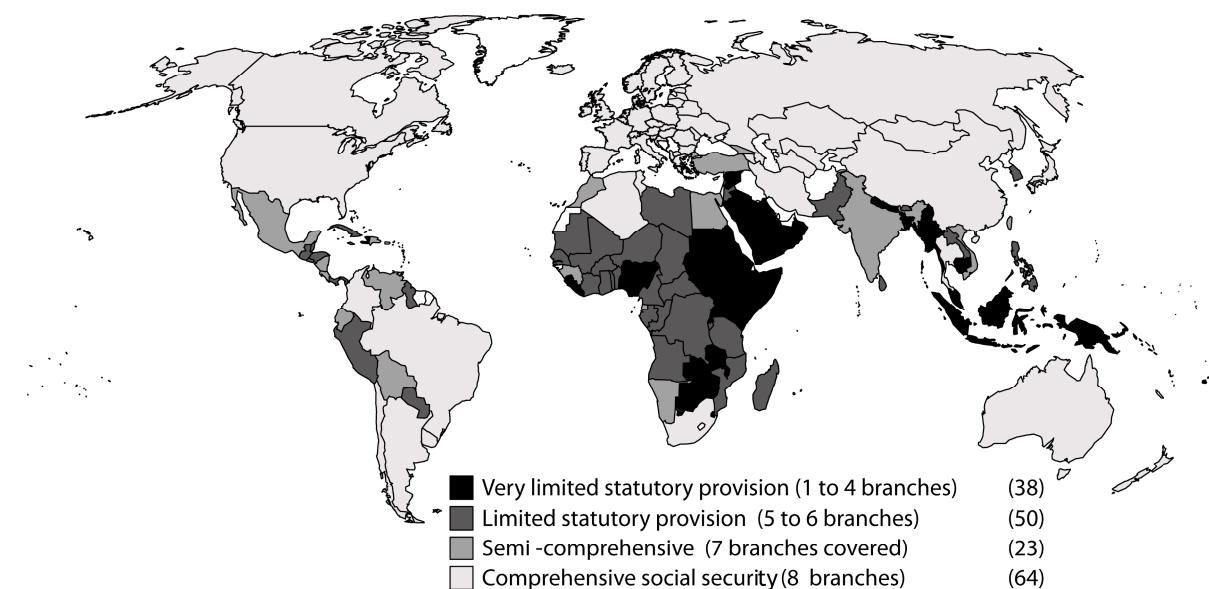
The ILO's two-dimensional strategy for the extension of social security may thus be presented schematically, as figure 2 illustrates, as three “boxes” leading to a complete system of social protection:

- The first “box” entitles all individuals to a nationally defined minimum level of protection, which should comprise access to a range of essential goods and services to live decently and to address the contingencies arising throughout the life cycle.
- A second “box” includes a higher level of social security, aligned on the capacity of persons covered to contribute. This second tier comprises compulsory state guaranteed coverage.
- A third “box” includes levels of protection going beyond the first two, based on voluntary coverage that is not guaranteed by law (although the insurance sector should be closely regulated by the government).

Given that an estimated 80 per cent of the world population does not have adequate social protection (SPF Advisory Group, 2011), many countries clearly do not yet have comprehensive social protection systems. In other words, the coverage people effectively

receive can be subject to a number of practical limitations, depending on the country. For example, some groups of people may not be covered, either because no statutory provision entitles them to coverage or because the implementation of statutory coverage does not allow effective access to their rights. Moreover, some contingencies may not be covered, or only at levels that are insufficient to effectively mitigate such contingencies.² As shown in figure 3, many countries still have incomplete statutory social protection systems under which several contingencies are not covered.

Figure 3. Number of branches of social security covered by a statutory social security programme (within the meaning of ILO Convention No. 102), by country, 2012



Source: ILO: *World Social Security Report 2013*, forthcoming.

Given the current focus on social protection in the international sphere, the need for social protection, and the adoption of the two-dimensional strategy for the extension of social security, undertaking research on action by multinational enterprises in the field of social protection seems relevant. The authors considered that this paper should be a first step that could help to clarify the role of social partners in this field at the international level, as well as to contribute to advocacy for the extension of social security, particularly targeting employers and workers.

1.2. Social protection: A social responsibility issue for enterprises

1.2.1. Corporate social responsibility: Concept and context

The concept of CSR is linked to the idea that companies have a responsibility going beyond short-term economic responsibility vis-à-vis their shareholders. The idea that business decisions can have impacts that go beyond business was born in the early twentieth century, but remained marginal until recently (Miraglio et al., 2007).

² For the minimum standards of social security coverage, see the Social Security (Minimum Standards) Convention (No. 102).

During the 1960s and 1970s, the growing importance of MNEs raised the issue of their responsibility and behaviour. Both the ILO and the OECD have adopted instruments in this respect (ILO, 1977 and 2006a; OECD, 2011).

The current concept of CSR is rooted in recent concerns of governments, civil society and businesses themselves. These new concerns result from the changing balance between the State and MNEs in the context of globalization, as well as the emergence of new concerns about sustainable development and the principle of shared responsibility.

The ILO defines CSR as “a way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors. CSR is a voluntary, enterprise-driven initiative and refers to activities that are considered to exceed compliance with the law.”³ The key elements that can be drawn from this definition are: the voluntary nature of CSR, its inclusion in a business management perspective, its systematic nature (i.e. not reactive) and its direct inclusion in the sustainable development prospects of every country (ILO, 2006b).

The limits of the concept of CSR emerge clearly from this definition. For example, it is clear that each actor has a role to play and that CSR should never (and could never) replace the role of the State. Similarly, CSR does not provide a unique solution to development issues. Therefore, CSR provides a framework that can contribute to a broader perspective of enterprises responsibility.

Labour standards and social dialogue are key aspects of CSR, which strengthens the important role that the ILO can play in its development. The ILO standards on CSR concentrate mainly on the dimension of labour rights. As such, these standards deal primarily with the human resources (HR) perspective of CSR.

The ILO MNE Declaration, adopted in 1977, is the only ILO normative instrument containing recommendations that apply not only to member institutions (governments, employers and workers) but also directly to enterprises. The purpose of this Declaration is to promote principles consistent with sustainable development that should be adopted by enterprises.

The section of the Declaration entitled “Conditions of Work and Life” is divided into three sub-sections: firstly, wages, benefits and conditions of work; secondly, minimum age; and third, safety and health at work. The first sub-section refers to social security in the form of earnings-related guarantees.⁴ Social protection is present in this part of the Declaration in the form of “benefits” for employees. The resulting obligation is twofold, since it targets both businesses and governments.

Among the range of international documents and definitions of CSR (OECD guidelines, European Union Green Paper, Global Compact, work of the Special Rapporteur to the Secretary General of the UN High Commissioner for Human Rights on human rights and transnational corporations and other business enterprises, etc.), the ILO MNE Declaration is the only tool that mentions of the social protection of workers as an integral part of CSR.

³ See the ILO MULTI Helpdesk at: http://www.ilo.org/empent/Publications/WCMS_116336/lang--en/index.htm; and also ILO, 2006b, 2007).

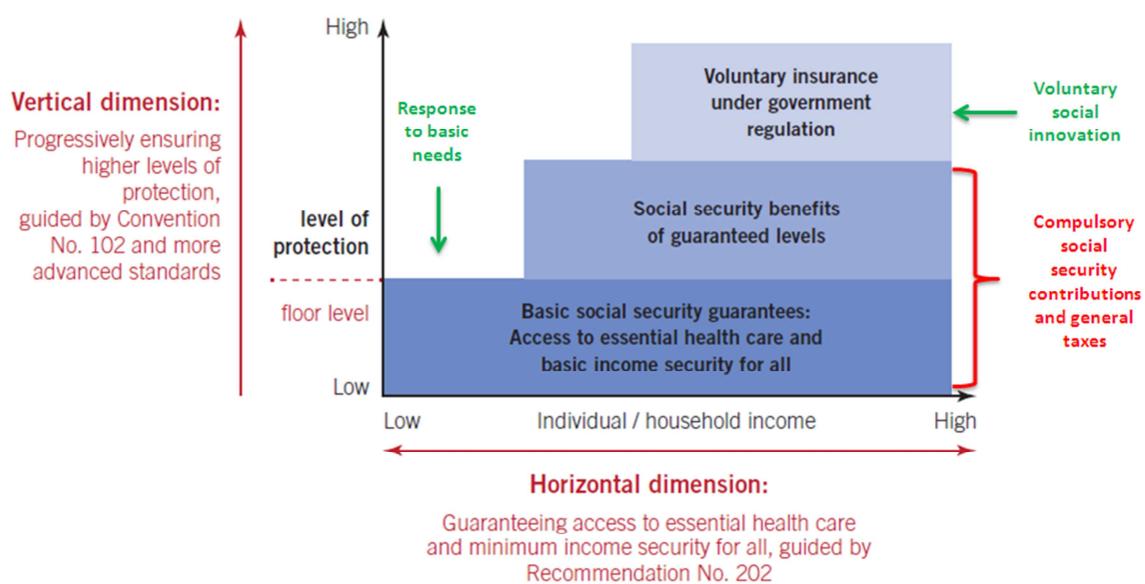
⁴ “Wages, *benefits* and conditions of work offered by multinational enterprises should be not less favourable to the workers than those offered by comparable employers in the country concerned” (para. 33).

1.2.2. Possible contributions by CSR to the extension of social security

1.2.2.1. Entry points in the context of the ILO's two-dimensional strategy for the extension of social security

States have the primary responsibility for providing social security to all residents and children (ILO Convention No. 102 and Recommendation No. 202). They have a range of means of implementation and funding at their disposal in order to achieve this goal. In this regard, enterprises can play an important role in extending social security in the context of national policy and legislation. Of course, they must make their contribution as employers and taxpayers, but they can also support the extension of social security voluntarily through their CSR strategies and related practices. This section undertakes a conceptual examination of the possible entry points (see figure 4).

Figure 4. Entry points into the two-dimensional strategy for the extension of social security



Schematically, it is possible to distinguish several entry points for a contribution by business to the two-dimensional strategy for the extension of social security:

- The mandatory entry point: through the payment of social contributions, i.e. the employer's contribution to compulsory national social security (thus depending on the nature of the statutory social security provisions in each country), as well as taxes that serve to finance social security benefits and floor-level protection. This raises a range of governance, compliance and transparency issues that are identified by international organizations as key challenges for MNEs.
- The CSR entry point (the subject of this study): two types of possible contributions may be identified: First, through the voluntary establishment by the company of social protection coverage programmes for employees, in addition to the statutory provisions. This may involve providing benefits for contingencies that are not covered by statutory provisions and/or providing employees with higher levels of protection than those offered by the system of compulsory social security. Ultimately, these mechanisms may be extended progressively, through social dialogue, to be included in compulsory social security. This first type of contribution is detailed below in the sections “Voluntary supplementary social protection” and “Social

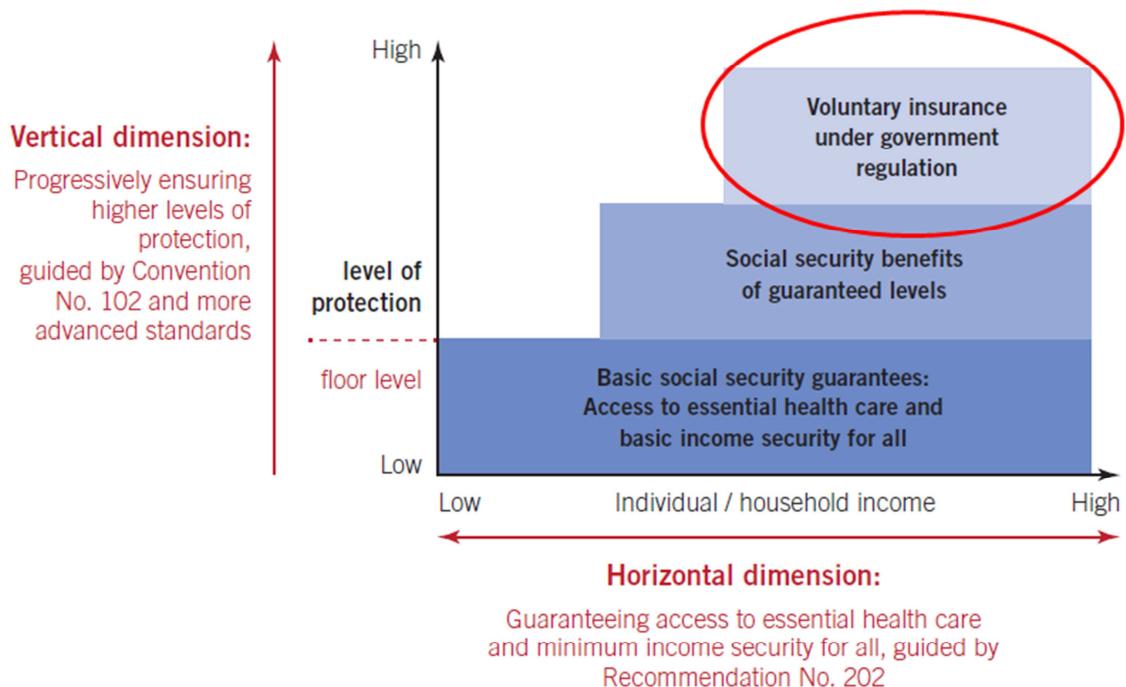
dialogue". Second, through the introduction of innovative responses to social needs identified as essential at the national level, thus contributing to the floor-level social protection system. This may be considered, in particular, in the context of partnerships with public authorities (on issues such as access to water, health services, etc.), even though this entry point appears less direct than those currently available.

Those CSR entry points are the focus of this study. The mandatory entry point detailed above relates to compliance with corporate legal obligations, as with all formal economic activity.

i. Voluntary supplementary social protection for employees

The first two boxes of the ILO two-dimensional strategy fall under the responsibility of States. It should be recalled that the ILO MNE Declaration includes the social protection of employees in the form of benefits within the ILO's vision of CSR. Conceptually, the corporate contribution as employers and through CSR policy is at the highest level of the diagram below (figure 5); it is voluntary and does not correspond to nationally guaranteed protection.

Figure 5. The main entry point to the ILO's two-dimensional strategy for the extension of social security



It should be noted that in practical terms only a few countries in the world currently have a social security system that accurately reflects the above graph. In many countries, the state-guaranteed social security systems (the first two steps of the diagram) have significant gaps in their coverage in terms of the range of benefits (not covering all contingencies associated with health or loss of income), the levels of protection (not providing a level of service enabling effective access to essential health care or not offering sufficient minimum income compensation) and the population covered (covering only certain categories of the population). In this context, "voluntary insurance under government regulation" can take on an important role in offsetting the low levels or lack of protection offered by the state-guaranteed social security system.

ii. Social dialogue

By contributing as employers to the two dimensions of the extension of social security (wider range and/or higher levels of benefits), enterprises could contribute to the inclusion of social protection issues in social dialogue at the enterprise level,⁵ whether the impetus itself originates from workers' representatives or they are involved in its implementation.

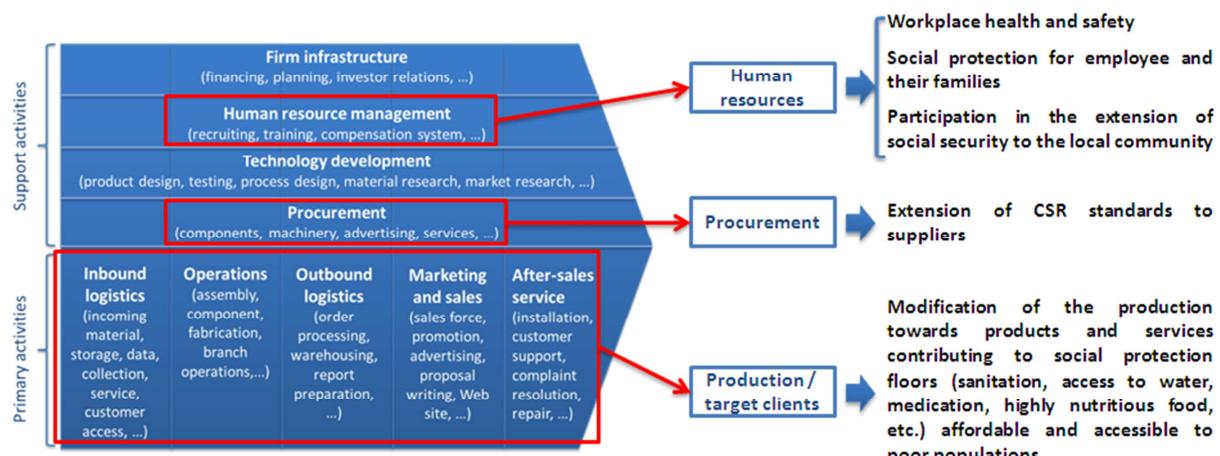
Introducing the theme of social protection into social dialogue at the entry level may have two complementary effects:

- Appropriation of the theme by workers and employers organizations (sectoral, regional and national federations), thus nourishing the national dialogue concerning national strategies to extend social security.
- Potential domino effect throughout the sector, the region and ultimately the entire country, due to the appropriation by the social partners of social security demands. Such domino effect may result from either of two possible reactions. First, competition among employers might lead them to align employee benefits nationally or within sectors. Second, the appropriation of the subject by workers organization may lead them to make greater demands for extended statutory benefits at the national level.

1.2.2.2. Enterprise-level entry points

From the MNE perspective, social protection can be integrated into CSR concerns through three main entry points. Following Michael E. Porter's representation of business activities analysed by value chain (see figure 6), the three main entry points for social protection-related action are HR, procurement and production.

Figure 6. Entry points for social security across the corporate value chain



Source: Created by the authors on the basis of the value chain analysis by Porter, 1985.

⁵ The ILO has conducted extensive work on social dialogue, a core theme under its mandate. As regards the evolution of social dialogue in relation to MNEs, see in particular Papadakis K. 2011. *Shaping global industrial relations: the impact of international framework agreements* (Geneva, ILO).

i. Contribution through HR

Social protection may be seen as a long-term investment in human capital, HR being among the most accessible as well as the most important stakeholders (on stakeholder theory, see Freeman, 1984).

As employers, companies must comply with labour and social security laws and pay social insurance-related contributions for their employees. In many countries, labour and social security laws lay down a statutory obligation to pay wages during periods of illness and pregnancy and in the event of work-related accidents. Some companies, as will be shown in this analysis, voluntarily propose supplementary benefits (to cover contingencies such as health, survivor, disability, retirement, etc.) and services (on-site medical facilities, child care facilities, etc.) to their employees, their families and even to the larger community.

When developing their CSR policy, companies often start by focusing on HR. This trend may be explained in several ways, but the main reason is the importance of HR in business strategy coupled with the fact that this stakeholder is easily identifiable and accessible.

Several contributions to the extension of social security can be achieved through HR policies, for example:

- supplementary coverage (health insurance, old age, etc.);
- access to services that are developed, financed and promoted by the company: infirmary, daycare, etc.;
- other forms of transfers: all forms of provision for children (family allowances, health insurance for children, etc.), all forms of housing assistance (financial contributions, staff accommodation, etc.), for example.

ii. Contribution through supply chain policies

The extension of the scope of CSR policies to include suppliers,⁶ who are part of the value chain whilst remaining external to the company, is another way to contribute to the extension of social security. This approach is fundamentally different from the others because companies can only ask their suppliers to engage in social dialogue with their own social partners on this issue.

Significant work has been done on the CSR policies of MNEs (Hopkins, 2007, pp. 146–159) and their possible impact on suppliers (ORSE, 2010) and, more generally, on trading partners. Since a wide range of activities included in the value chain are often carried out by different enterprises, it may be considered natural that CSR standards should be the same throughout the chain. Implementing this principle remains a challenge for MNEs, due to their extensive network of business partners throughout the world.

⁶ The ILO conducted extensive work on responsible value chain management. For more information on related publications, see in particular the ILO resource guide on corporate social responsibility, especially the menu item on “value chains”; available at: <http://www.ilo.org/public/english/support/lib/resource/subject/csr.htm>; and ILO, “Responsible Practices in Supply Chains”, *Global Jobs Pact Policy Briefs*, no 11, Geneva, 2010, available at: http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_149676.pdf.

Many companies are making efforts to overcome these challenges and work with their entire supply chain to ensure that CSR standards are met and shared. Various instruments are used, such as joint codes of conduct, joint projects, etc. These initiatives can include social protection; this can have a significant impact in the medium term since MNE suppliers have many employees who do not currently have adequate social security coverage, particularly in developing countries. However, the process of extending CSR policy to suppliers is new and sometimes difficult to supervise. In consequence, little evidence is currently available to measure the existence and impact of social protection provisions in CSR procurement policies.

iii. Contribution through the production of essential goods and services

Every company, at its own level, can take account of the interests of its stakeholders and, in so doing, develop a more inclusive business strategy. Such a strategy could include a substantial change in the company's market orientation (and might include the technological development/innovation approach included in Porter's value chain). More specifically, a company might consider the social protection needs of potential customers who do not have access to appropriate goods and services because they lack sufficient resources (such as water, food, medicine, health care, etc.). Under such an approach, companies could create goods and services that are both appropriate and affordable to satisfy this new market (UNDP, 2010).

Moreover, the activities of the enterprises in question must respect human rights, especially economic, social and cultural rights.⁷

The creation of these new types of goods and services can be achieved through various means. Promoting partnerships with the State to ensure affordability to those in need is also possible. In this context, public-private partnerships are essential tools. Again, little evidence is currently available to assess the relevance and impact of such approaches, which are still isolated. The small number of impact studies related to such approaches can be explained by the fact that many companies have so far focused their attention on communication and image benefits rather than impact on beneficiaries.

1.3. Scope and methodology of the study

The entry points described above (CSR in the two-dimensional strategy for the extension of social security, on the one hand, and social protection in the corporate value chain, on the other) are conceptual constructions. Accordingly, it was considered important to verify whether these entry points are identified and used effectively by stakeholders in practice.

First, the existing literature concerning the link between social protection and CSR was reviewed. This provided an overview of the state of research on this subject, but also helped identify MNE reporting tools in order to acquire information on the activities related to social protection (MNEs have large staffs and are subject to heightened transparency requirements).

Subsequently, an analysis of the various tools at the disposal of MNEs for CSR engagement and reporting (Part I), led to the finding that the social protection actions

⁷ On this point, see the International Covenant on Economic, Social and Cultural Rights, adopted by the UN General Assembly in Resolution 2200 A (XXI), 16 December 1966; available at: <http://www.ohchr.org/Documents/ProfessionalInterest/cescr.pdf>.

reported by MNEs are generally concentrated in their human resources strategy (the first entry point identified above). The analysis also highlighted the lack of standardized reporting, and poor visibility on the implementation of reported social protection.

These elements explain the decision to conduct a survey of 15 MNEs (Part II), to gather information on the practical implementation of policies to extend social security to all employees within multinational corporate groups, since a simple analysis of corporate reports was not sufficient. This analysis also showed that many MNEs that have their historical headquarters in France reported significantly on social protection and made commitments with social partners as regards social protection. The decision to conduct the survey with ORSE was made on the basis of this finding.

2. An analysis of CSR commitment and reporting tools

A review of the literature established the following findings:

- i. It would appear that the link between social protection and CSR is not developed as a research topic at present.
- ii. More broadly, with the exception of the ILO MNE Declaration, the existing global CSR standards (Global Compact principles, OECD guidelines, UN guiding principles on business and human rights, etc.) pay little or no attention to social protection.
- iii. Moreover, there is no standardized reporting tool relating to social protection (see Appendix V for an analysis of CSR reporting standards). As a result, companies do not report systematically on their activities in this field and when they do, each company follows its own methodology, making comparisons difficult. Beyond the resulting limits on access to information, this reduces the visibility of actions, the potential for ripple effects and the possible integration of this criterion into rating standards. This means that the existence or absence of such social protection actions is not evaluated through the ratings of rating agencies, and therefore is not taken into account in responsible investment criteria.

The main tools for commitment by and monitoring of multinational companies were then analysed to identify trends and the place of social protection in these documents. The main documents analysed were:

- international framework agreements (IFAs), the main tool for CSR engagement by MNEs, signed with the global union federations (GUF) concerned; and
- CSR and sustainability reports, annual reports and reference documents from over 100 MNEs (see the appendices for complete list).

2.1. Analysis of commitment tools

Part of the analysis focused on the international obligations of MNEs through IFAs.

2.1.1. International framework agreements (IFAs)

An international framework agreement, or IFA, is an instrument negotiated between a multinational company and global union federations to establish compliance with mutually agreed standards, often borrowed from ILO core principles and labour standards, thus providing a legal framework for the worldwide operations of the MNE (Papadakis, 2011).

Unlike the codes of conduct that often formalize CSR initiatives, international framework agreements are the result of bilateral negotiations between the company and international workers' representatives. They lead to joint monitoring by the signatories. In this respect, they are comparable to the collective agreements negotiated at national and local levels. However, IFAs are broader since they concern the representatives of all workers in a particular sector on a global scale, often through GUFs or global works councils, where these exist.

IFAs establish a normative framework which may serve in the negotiation of local agreements. Although they do not necessarily seek to impose a duty of social responsibility

on MNEs with respect to society as a whole, they provide a response to the reality of transnational corporations working through an economic and human chain that transcends borders, by including all employees of the company and including the fundamental rights guaranteed by ILO standards.

The content of IFAs varies, but they generally refer directly to ILO Conventions and Recommendations.¹ In this way, they integrate core labour standards on non-discrimination, the prohibition of child labour and forced labour, and the recognition of the rights to freedom of association, collective bargaining and worker representation.

The legal weight of IFAs is complex and remains elusive. Formally, IFAs are contracts that lay down the mutual obligations of the contracting parties and include complaint mechanisms. In some cases, they offer not only the possibility of sanctions but also frameworks for dispute resolution and ongoing dialogue between management and workers. Although these agreements are not negotiated by subjects of international law, their interest lies in the fact that the main parties involved in the agreement jointly decide upon their obligations. Thus, the standards developed by the ILO, which are an integral part of most IFAs, are reaffirmed in a context that is directly related to their *raison d'être*: the practical implementation of these standards and values in the daily reality of the enterprise.

2.1.2. Analysis of IFAs

An analysis of 100 IFAs shows that more than 70 per cent of them contain engagements on occupational health and safety, whilst only six of them lay down engagements in terms of employee social protection (see figure 7).

The six agreements in question concern the following companies² and union organizations:

- EADS/EADS European Works Council (EWC)/International Metalworkers' Federation (IMF) and EMF
- EDF/ICEM, PSI, IEMO, IFME and national unions
- PSA Peugeot Citroën/IMF and EMF
- Rhodia/ICEM
- GDF Suez/ICEM
- Danone/IUF

¹ In particular, international framework agreements rely on the Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), as well as the Workers' Representatives Convention, 1971 (No. 135) and the Worst Forms of Child Labour Convention, 1999 (No. 182).

² For more information on these companies (size, sector of activity, etc.), see their websites:
<http://www.eads.com/eads/int/en.html>
<http://www.edf.com/the-edf-group-42667.html>
<http://www.psa-peugeot-citroen.com/en>
<http://www.rhodia.com/>
<http://www.gdfsuez.com/en/>
<http://www.danone.com/?lang=en>

These are all relatively recent agreements, entered into primarily with three GUFs: IMF/EMF (European), ICEM and IUF.

Following are the excerpts from the six IFAs referring to social protection for all employees of the company.

EADS/EWC EADS/IMF and EMF in 2005

"In the countries in which the Group operates, EADS strives to contribute to the ongoing improvement of workers' social welfare, medical care and long-term disability coverage."

EDF/ICEM, PSI, IEMO, IFME and national unions in 2005

"Article 4 Social benefits, in particular regarding maternity, coverage of workplace accidents, illness and retirement

EDF Group Companies are fully aware of ILO recommendations to multinational enterprises urging them to contribute to improving workers' conditions. EDF SA undertakes to implement measures in its power gradually so that each worker in a company that it controls shall be covered by social benefits systems providing for protection in view of his/her future retirement and to ensure his/her physical and moral dignity in the event of workplace accidents, illness or maternity."

PSA Peugeot Citroën/IMF and EMF in 2006

"PSA PEUGEOT CITROËN shall establish a welfare benefits scheme in all countries to cover contingencies associated with death, invalidity and incapacity. Similarly, PSA PEUGEOT CITROËN is gradually introducing supplementary defined contribution retirement plans to offset the reduction in benefits from compulsory schemes, as well as additional health insurance plans in line with changes in compulsory health insurance schemes."

Rhodia/ICEM in 2008

"Rhodia ensures that its employees are covered by welfare protection systems that provide benefits in case of illness, maternity, or after their retirement, in compliance with local laws, regulations and practices and develops whenever needed its own complementary benefit plans."

GDF Suez/ICEM in 2010

"GDF SUEZ and all sub-contractors shall respect legal and contractual obligations to all workers under labour and social security laws, regulations, and collective bargaining agreements arising from the regular employment relationship (Social Security (Minimum Standards) Convention, No. 102). GDF SUEZ and all sub-contractors shall pay social security and pension contributions for their workers where such provisions exist."

Danone/UITA in 2011

"The Dan'Cares action plan is intended to provide minimum medical cover for all employees, primarily by ensuring that fundamental needs (hospitalization, maternity, medical consultations) are covered by local schemes and/or insurance cofinanced by Danone companies and its employees, at a cost and of a quality and accessibility above or at least equal to those offered by other locally established international groups.

"The application of the Dan'Cares action plan could be the subject of dialogue between the trade unions and/or staff representative bodies. Subject to local legislation, where staffs are asked to contribute, the introduction of medical care cover shall be the subject of negotiation.

"Employees of all Danone companies shall be covered under a disability/life insurance scheme.

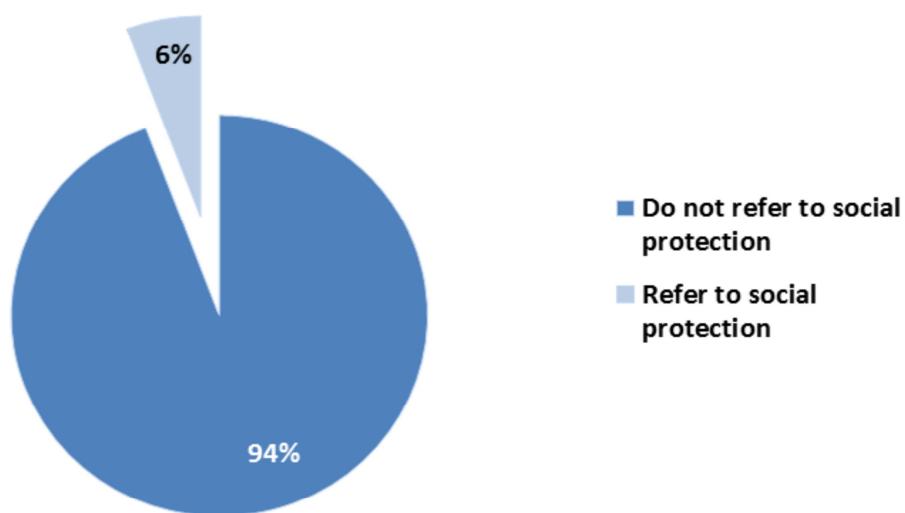
"This monitoring shall consist of at least one annual specific meeting of the IUF/Danone Steering Committee to analyse the following indicators which will be included in the annual report of financial and social indicators to all the CIC members:

- (...)
- Social welfare cover rate;
- (...)"

The primary contingencies covered are, in descending order: illness (five out of six), retirement (four out of six), maternity (three out of six), disability/incapacity (three out of six), and survivor (two out of six). Unemployment is not covered by any agreement. It should also be noted that some companies specifically mention the establishment of

supplementary coverage specific to the company, for all its employees. Others mention the introduction of supplementary mechanisms, as a need depending on national social protection systems. There are differences in implementation methods resulting from these varying orientations identified in the companies' commitments.

Figure 7. Analysis of 100 IFAs



Moreover, mention should be made of the GDF Suez/ICEM IFA's reference to the importance of respecting legal obligations concerning the affiliation of employees to the compulsory social security systems and regular contributions to the relevant social protection institutions. As noted later in the results of the survey of 15 MNEs, all companies surveyed stated that they base the voluntary coverage offered to their employees as a complement to statutory coverage, positioning their action as supplementary, where legal provisions exist. This may be explained partly by the fact that MNEs, especially MNEs listed on European stock markets, are subject to many regulatory criteria that require them to effectively ensure that each subsidiary pays its social contributions. However, the issue raised by the GDF Suez/ICEM IFA remains central in many countries where non-compliance with compulsory social security application and contribution by enterprises is widely spread and thus contributes to the poor quality of mandatory coverage (which lacks crucial resources).

The six IFAs analysed in detail refer to providing information to suppliers and subcontractors, and to more or less serious expectations for compliance and enforcement of the agreement, yet social protection is outside this scope with the exception of GDF Suez. In fact, the GDF Suez/ICEM IFA, quoted below, states the expectations of GDF Suez for its suppliers regarding the commitment to comply with compulsory requirements for employees.

GDF Suez/ICEM in 2010

"1.5 Stable, sustainable employment

GDF SUEZ recognizes the importance of secure employment for both the individual and for society through a preference for permanent, open-ended and direct employment. GDF SUEZ and all sub-contractors shall take full responsibility for all work being performed under the appropriate legal framework and, in particular, shall not seek to avoid obligations of the employer to dependent workers by disguising what would otherwise be an employment relationship or through the excessive use of temporary or agency labour. GDF SUEZ and all sub-contractors shall respect legal and contractual obligations to all workers under labour and social security laws, regulations, and collective bargaining agreements arising from the regular employment relationship (Convention No.102). GDF SUEZ and all sub-contractors shall pay social security and pension contributions for their workers where such provisions exist. Companies will ensure that workers are not classified as self-employed when working under conditions of direct employment (bogus self-employment). GDF SUEZ expects its partners to apply comparable principles and regards this to be an important basis for a lasting business relationship."

This is clearly an obligation to respect legal obligations, rather than the implementation of voluntary social protection by subcontractors.³

2.2. Analysis of reporting tools

This part of the study focuses on the elements reported on by companies in the range of documents they make public, including those relating directly to CSR. Of course, this report-based analysis has its limits and does not guarantee that action was actually undertaken. However, it does give an overall indication of the proportion of companies integrating social protection in the elements they monitor, i.e. those companies with both the desire to report on the issue (thus identified as being an important issue) and the means to do so (existence of reporting channels on this subject at the corporate level).

As regards the analysis of CSR reports, reference documents and annual reports (for the period 2010–11), the choice of companies to be surveyed was initially based on the S&P Global 100 (or S&P 100). Then, following the finding that many multinational enterprises with IFAs or CSR reporting on the topic of social protection were of French origin, CAC 40 companies⁴ were also analysed.

2.2.1. Analysis of 2010–11 reporting by multinational companies

Analysis of the reports by S&P 100 companies shows that social protection is mentioned by 24 per cent of companies (figure 8). Since the reports analysed covered only two years (2010–11), this analysis does not provide information on trends in CSR reporting on social protection.

³ In practice, the company imposing the obligation can verify the respect by subcontractors of their legal obligations to pay social contributions to the existing social security system in countries where the institutional bodies provide a receipt for the contributions effectively paid. However, voluntary social protection is very difficult to verify.

⁴ The CAC 40 stock exchange index, which stands for "*Cotation Assistée en Continu*" (continuous quotation of a stock from opening to close on the Paris stock exchange), is based on the stock prices of the 40 largest French publicly listed companies.

Figure 8. Analysis of S&P 100 companies' reporting, 2010–11

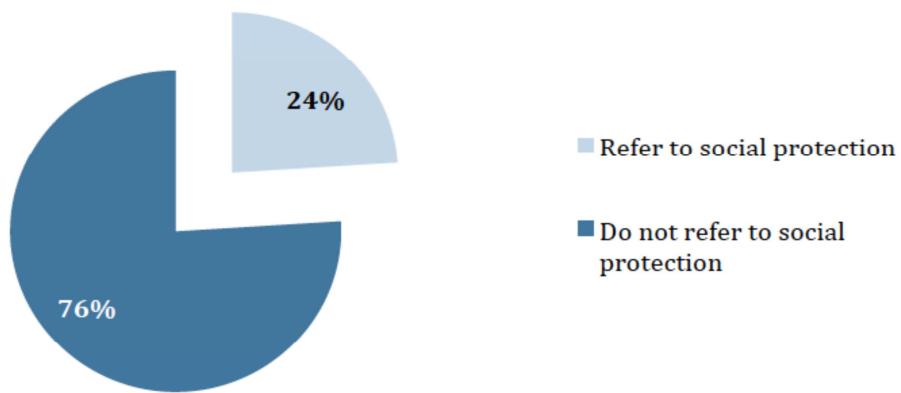
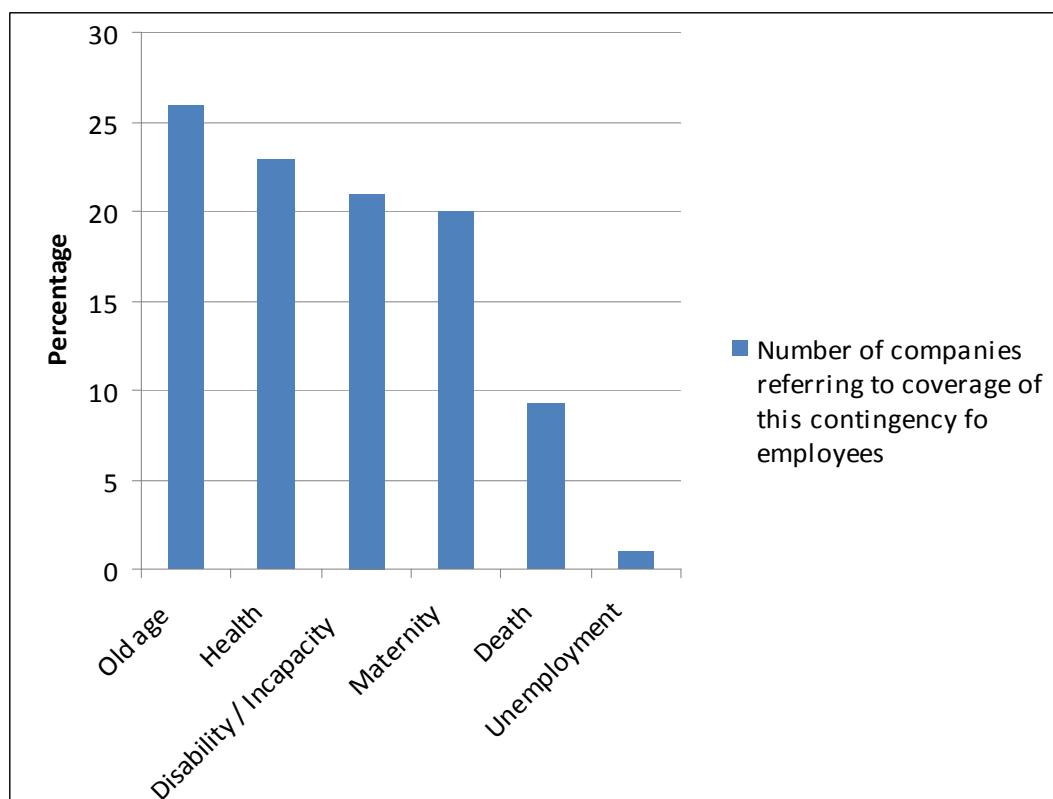


Figure 9 summarizes the social security contingencies reported to be covered by S&P 100 companies.

Figure 9. Contingencies reported to be covered by S&P 100 companies, 2010–11



Note: As regards the other elements of social protection analysed, work-related accidents only appear to be reported by 45 per cent of companies. This particularly low figure results from the fact that companies do not necessarily mention accident-related coverage in their reports, given that coverage of such accidents is generally a legal obligation for them and/or goes within reporting on health and safety at work.

Old-age coverage is the most frequently mentioned element of social protection, often in conjunction with the many existing statutory provisions. Indeed, 26 per cent of companies that provide coverage to their employees report that they are involved in this issue and propose a system for the establishment of a pension, but not in a harmonized manner throughout the group. Often, funding arrangements are not reported and the

pension system is not detailed (degree of protection, mandatory or voluntary, simple respect for the statutory protection system or creation of a voluntary supplement, etc.).

In addition, 23 per cent of the companies surveyed claim to offer health insurance to their employees, while 21 per cent say they offer coverage in the event of incapacity or disability. 20 per cent of companies say they offer coverage for maternity and 9 per cent say they cover their employees in case of death. Finally, unemployment benefits do not seem to be provided, since only two companies offer a financial or in-kind benefit to their employees in the event of unemployment. It should be noted here, more broadly, that unemployment benefits do not exist in many mandatory national systems today, especially in developing countries.

To further expand the perspective on MNE social security practices, the reports of 23 additional companies were analysed. These companies are from Brazil, China, India, Malaysia, Mexico, Poland, Russian Federation, Saudi Arabia, South Africa, Thailand and Turkey.⁵ The same method was used as for the S&P 100.

Of these companies, two stated that they provide social protection coverage to all employees, expressly using the term “social protection”. Based on the reports and websites analysed, 12 companies appear to offer at least one element of coverage, three of which cover five elements. Old-age coverage was provided most often by these companies (12 out of 23), followed by health (8 out of 23), disability/incapacity (6 out of 23) and maternity (2 out of 23). None of the companies whose public information was analysed appeared to propose unemployment benefits.

It became clear that not all corporate action to provide employees with coverage is necessarily listed in their public documents. In addition, it is often listed under the “career” heading rather than as a CSR initiative. Moreover, the information reported is not always comprehensive and, therefore, its analysis may not be an accurate reflection of the reality on the ground in all subsidiaries of the companies surveyed.

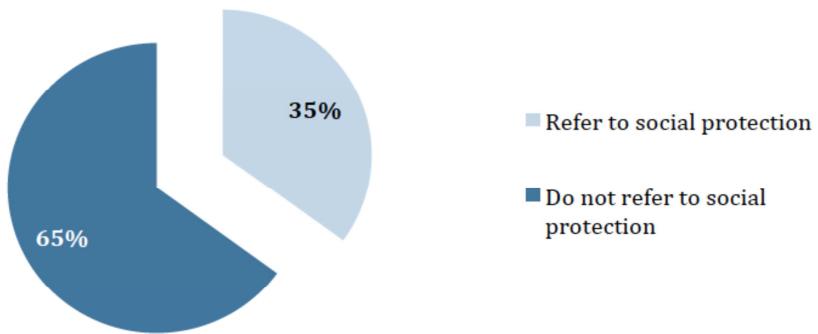
2.2.2. Analysis of 2010–11 reporting by CAC 40 companies

In the public information provided by CAC 40 companies analysed for the period 2010–11, 35 per cent of reports (14 companies) clearly mention social protection (see figure 10) and 10 per cent use the LA3 social protection benefits indicator⁶ of the Global Reporting Initiative (GRI), noting that fewer than half of all reports used the GRI grid. The descriptions are often brief and fragmentary. Most of them do not provide a clear report on guarantees covered, the number of beneficiaries and coverage strategies. This reflects the fact that although concern for the issue of social protection is real, reporting is not yet standardized.

⁵ The complete list is available in Appendix 4. The companies were chosen on the basis of press reviews and a report by the Boston Consulting Group (2011). A further selection was made of those companies with a strong international presence, with a concern to ensure a balanced global representation.

⁶ The LA3 is a Global Reporting Initiative indicator which indicates the scope of the application of social guarantees offered to employees (full-time versus part-time or temporary): “Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations” (GRI, 2011, p. 6). For more information, see the data sheet on the GRI in Appendix 5.

Figure 10. Analysis of the CAC 40 companies reporting, 2010–11



The most recurrent theme is healthcare coverage, just before old age and survivor benefits (20, 13 and 13 per cent respectively).

Five reports provide details of the financing and provision of health facilities for employees (including two that extend access beyond their direct employees). Two reports detail the implementation of services and transfers to the local community (scholarships, medical visits, etc.). Finally, three companies explain their approach to production contributing to the access of poor households to a range of essential goods and services.

It is clear from the analysis of the CSR reporting tools of MNEs that little information is actually reported on social protection. The descriptions given in the reports are fragmented. They do not make it possible to obtain reliable data on the basic elements of social protection for employees: benefits covered, number of beneficiaries and the coverage strategies chosen to complement/supplement the national system of social protection.

This reflects the fact that the concern of MNEs for social protection issues is recent, and that they do not yet have accurate, standardized reporting tools on this subject (see the technical guide in Appendix V). This may also be linked with the fact that social protection has little visibility across major international initiatives on CSR (Global Compact, OECD, etc.). The absence of key indicators for the monitoring of social protection (both mandatory and supplementary) in reporting standards and evaluation of CSR policies is also a factor (GRI, ISO, etc.).

One result is the non-promotion of social protection initiatives in corporate ratings by CSR rating agencies. This means that social protection granted to employees is not currently considered in the decisional criteria for responsible investment.

3. Analysis of the results of the survey of 15 MNEs

3.1. Survey methodology

The analysis of the engagement (IFAs) and reporting tools used by the most important MNEs in terms of turnover, based on a sufficiently large sample, allowed the identification of a first group of MNEs with which further investigation could be conducted. As mentioned above, a significant proportion of those companies having made engagements and/or reporting on the social protection of all employees worldwide have their head offices in France. Thus, it appeared relevant to the ILO to conduct a survey of the practices of these companies in collaboration with a French player, ORSE. An initial selection of companies was made on the basis of the analysis previously described. Among those companies contacted, 15 agreed to participate in the survey.

This study presents the responses of these companies to the questionnaire that was used during interviews. The issues raised followed a chronological approach to the implementation process for extending social protection to all employees of the company:

- The reasons why companies decide to take action to extend coverage to all employees, including in regions where this is not a legal requirement.
- The type of engagement undertaken by companies (IFA or other; the role of negotiations with workers' representatives).
- The sequence of steps preceding implementation (definition of strategy, etc.) and in particular, the stock taking of existing provisions.
- The choice of coverage options and the means of practical implementation of social security coverage for all employees.
- The monitoring and evaluation of the process.

A summary of the main responses of the eight companies that agreed to publish their interview transcript is available in Appendix I and is also available in electronic format.¹

Since the survey is currently limited to 15 companies, it is impossible to extrapolate the results to determine general trends. However, the study does allow conclusions on the state of play and current practice on the subject.

3.2. Companies' objectives in extending social protection coverage to all employees

The companies interviewed in the survey gave several reasons – not mutually exclusive – why they decided to launch policies for their group to provide social protection coverage to all employees at all their operating sites.

The variety of reasons given is due *inter alia* to the fact that the companies are not all at the same stage of development of social protection coverage for their employees. They

¹ Available at the dedicated web page: [http://www.social-protection.org/gimi/gess/
ShowEditProject.do?pid=1935](http://www.social-protection.org/gimi/gess>ShowEditProject.do?pid=1935) [members area].

have also opted for different strategies. Two general types of social protection strategy for all employees may be distinguished. In the first case, there is an *a priori* decision of the corporate management to provide basic social protection to all employees. Such a policy decision will identify the benefits to be provided at an early stage, without necessarily having any previous knowledge of what already exists in each subsidiary. In the second approach, the company may begin by seeking information on and harmonization of existing social protection policies. In this case, the approach is generally more progressive and less centralized. Accordingly, the risks to be covered are not defined *a priori*, nor are desired minimum levels of protection given. Based on an inventory of existing coverage in each subsidiary, harmonization will occur as opportunities arise (expiration of a contract with an insurer, etc.).

The distinction between these two approaches is fundamental, since it determines the importance of the stock taking stage on the one hand and the level of centralization in the definition of coverage and monitoring of implementation on the other. The resulting degree of centralization strongly influences the motivations given by the respondents for the extension of coverage, ranging from a comprehensive political vision to an operational need for harmonization.

3.2.1. Investment in human capital

3.2.1.1. Improving productivity and reducing absenteeism

The responding companies saw the establishment of health insurance coverage as an investment and not just a cost. A strong motivation for a company is investment in its human capital with a view to improving productivity and reducing absenteeism (long-term absenteeism due to lack of health care, for example). Thus, after the introduction of health coverage in the African countries in which it operates, Lafarge noted a reduction in absenteeism among its subsidiaries.

Promoting the health of employees can indeed lead to an increase in productivity. Corporate action can take the form of establishing health insurance coverage, but it can also include complementary services, such as introducing a company canteen. Thus, an ILO report makes the link between good nutrition and increased employee productivity.²

3.2.1.2. Reducing employee turnover and retaining the workforce

Among the companies interviewed, several stated that in an increasingly competitive environment they are seeking to reduce their employee turnover rate. This is particularly important in emerging and developing countries where many companies wish to launch operations in order to develop on new markets.

Retaining employees and attracting talent are HR issues for which one of the best arguments appears to be the overall compensation package: salary and social benefits (including social protection). These benefits are seen as wage supplements, even if the employee must pay a share of the premiums, because they guarantee, for example, the continued payment of all or part of their salary in case of sick leave, maternity leave or upon retirement. This is a form of deferred compensation (see Glossary).

² See Wanjek, 2005. This report found that a single additional percentage point of kilocalories provided to malnourished employees increased production by 2.27 per cent.

Vallourec³

Competition is very strong in our business, and major groups attract candidates or retain employees with the comprehensive benefit packages they offer. In some countries, Vallourec has noted employee turnover of 10 per cent or more in some cases, regardless of the social climate.

3.2.1.3. An extension of the promotion of workplace health and safety

Among the companies surveyed, many appear to envisage their programme of coverage for all employees (especially health, disability and survivor benefits) as an extension of their workplace health and safety policy. This appears to be a particularly strong element when the company's business requires relatively elaborate prevention and health care programmes in the workplace itself. In particular, the introduction of on-site health infrastructure seems to be a factor pushing for consideration of the health needs of employees, including outside the workplace.

Such companies already have a strongly entrenched culture of promotion of health and safety at work. This corporate culture can be a basis for promoting employee health, both inside and outside the company, including the establishment of social protection coverage.

In practical terms, companies can capitalize on their expertise in workplace health and safety (establishing action plans, management methods and monitoring) in order to deploy their social protection programme.

Lafarge

Lafarge initially relied on a strong health and safety policy, leading to a corporate culture. The theme of health, at work and beyond, has always been important for Lafarge, with strong involvement of the Group in the prevention of HIV/AIDS in the late 1990s.

Lafarge believes that any social protection programme should be in line with the workplace health and safety policy already put in place by the company, or even more generally the social policy of the Group.

3.2.2. A tool of sustainable development policy

3.2.2.1. Improving the work environment and territorial anchoring

Some companies start from the perspective of constant improvement in working conditions and the work environment, directly influencing the health of employees and with an impact on the local population.

Global Corporate Social Responsibility Agreement between Rhodia and ICEM, 2011

Rhodia is committed to creating healthy working conditions for all personnel, regardless of the job they perform and its related contingencies.

Rhodia pledges that right from the outset, investment projects shall not compromise the health and safety of personnel or nearby residents. In addition, Rhodia supports solutions likely to improve existing situations.

³ In the examples throughout the rest of this study the following method of presentation is used: when only the company name appears in the title, the sample has been taken from the interview as part of this survey; when it comes from another source (sustainable development report, website, etc.) this is specified.

The issue of territorial anchoring was also cited in interviews. In the context of public tenders, obtaining contracts is often conditioned by local authorities on investment in infrastructure utilities, such as health centres, for example, particularly in the areas of energy and infrastructure. This stems from the fact that the activities of foreign companies are sometimes perceived by the local population as having a negative impact (for reasons of governance, environmental impact, etc.).

Some companies therefore claim to improve their territorial anchorage as well as public and local government relations in order to foster their sustainable development on a given territory. CSR policy, of which social protection is one element, is then used to improve the “social acceptance” of sites (in the words of Colas, a Bouygues subsidiary), “the licence to operate” (as expressed by Lafarge), and “social” or “local acceptability” (according to GDF Suez).

Colas website, Bouygues Group⁴

It is increasingly difficult to win acceptance of materials production facilities from local communities that fear various forms of nuisance (odours, dust, noise, traffic, impact on the environment or health). The Colas Group has identified social acceptance as one of the key strategic challenges of responsible development. Such acceptance depends on dialogue with local residents and local authorities.

GDF Suez Sustainable Development Report 2011

Beyond environmental issues, the challenge is also to develop a structured dialogue with each stakeholder to ensure local acceptability of projects and facilities. This second pillar is intended to further strengthen industrial security and the safety of facilities, while preserving natural resources. Lastly, to ensure the positive impact of activities on the local economy and enable the most disadvantaged people in society to access essential services, GDF SUEZ builds partnerships of trust with associations and NGOs, thus reflecting its humanitarian commitment.⁵

Lafarge

Each subsidiary, taking into account its stakeholders and the need to maintain the licence to operate, must become involved in at least one project (education, clinics or dispensaries, road safety ...) for the benefit of these communities and according to their needs.

3.2.2.2. Positioning vis-à-vis competitors

The companies interviewed that are involved in a process of providing coverage to all their employees (and where appropriate, their families and beyond) and that promote their action in public communications, seek to position themselves as leaders, either in their industry sector or on the specific issue at stake. They wish to be seen as examples of social innovation in developing the social aspects of their sustainable development and CSR policies.

⁴ Available at <http://www.colas.com/en/sustainable-development/indicators-and-certification/local-dialogue-940188.html> [accessed on 5/10/2012].

⁵ Although the GDF Suez and Bouygues Groups did not participate in the survey, their reports were also analysed because the data they provide relevant to this study. The same is true for Carrefour, PSA Peugeot Citroën, EADS, Areva and Rhodia.

Danone

The founding Chairman of Danone, Antoine Riboud, had already advocated the need for companies to take account of the human dimension and put employees at the heart of business concerns in a speech in Marseille in 1972. The Group has promoted his values by formalizing what he called its "dual economic and social project".

It is on the basis of this double project that Danone's economic, environmental, social and societal strategy is rolled out.

Danone positions itself as being engaged on all CSR issues and as such, a responsible company and employer.

The Dan' Cares programme launched in 2011, which is part of the dual economic and social project of the Group, aims to offer quality medical care to all its employees.

This is also a question of institutional image. Approximately two-thirds of companies that have initiated an extension of social protection coverage to all their employees are operating in markets where the retention and attraction of employees is a serious issue. It is therefore a question of "employer branding".

Excerpt from the Areva Reference Document, 2009

Employee benefits are one of the key components of the Group's employer brand, regardless of the subsidiary or the country. They are the social dimension of the Group's sustainable development plan and represent a form of solidarity in the management of the workforce as a whole.

Corporate image and reputation are all the more important when companies are looking to expand into new markets, especially in countries where economic growth is high, such as China, Brazil and India. In addition, the issue of reputation becomes more important where the new host country is geographically remote from corporate headquarters.

3.2.3. A need to harmonize benefits

MNEs are currently subject to many pressures in the competitive international environment. In particular, there is a need for increased transparency through the implementation of new reporting requirements⁶ that encourage firms to harmonize a number of policies, including social policy, at group level. Moreover, competitive pressure also pushes them to streamline their expenses. This double pressure may partly explain the need for some respondents to harmonize social security programmes for their employees.

3.2.3.1. An issue of non-discrimination

Increased standardization of the coverage of all employees of an MNE can also respond to a policy of equal treatment of employees, regardless of the site where they work.

⁶ Among these other obligations, the International Accounting Standard IAS 19, developed in 1998 by the International Accounting Standards Board (IASB), focuses on social commitments, or "Employee Benefits" and is intended primarily for listed companies, specifically: "how to identify, promote and recognize benefits granted to employees of a company (and its former employees if applicable)" (Gautron, 2006, p. 2). Since this standard was adopted by the European Union in 2003, companies listed on a stock exchange in a Member State must respect it when preparing their financial statements (Roger, 2009). This standard does not require the presentation of accounts by geographical branch but leaves companies free to choose to do so, according to the characteristics differentiating the systems it finances (see European Commission, 2012).

There are often inequalities between employees in terms of social protection. These inequalities are often related to statutory social protection systems and varying levels of social dialogue on these topics in the countries where MNEs operate. Accordingly, MNEs may intend to ensure a level of basic coverage for all their employees, taking account of local variations.

Excerpt from the BNP Paribas Reference Document 2010

These mechanisms have been harmonized, particularly outside France, with the aim of ensuring greater consistency between local systems that are sometimes quite disparate.

Excerpt from the Total Environment and Society Report 2010

Access to quality benefits for all our employees

Total believes that offering all employees a quality benefits package is one aspect of promoting equal opportunity. Whatever their country of employment, all of them enjoy benefits — health insurance, survivor insurance, etc. — based on a common core of principles and procedures.

Respondent companies seeking more homogeneous social protection programmes may act at different levels:

- At the corporate level, integrating all countries where there are operations.
- At the country level, among subsidiaries in a single country.
- At the level of employees to limit differences of coverage between various types of contract, etc.

The survey shows that businesses rely on national social protection systems to deploy their own programmes in each country of operation. That is, they always choose to complement existing mandatory provisions. The level identified for implementing fair programmes is thus that of each country. This level of analysis allows the company to comply with local regulations and, on that basis, offer coverage and benefit levels comparable between countries.

Some respondent companies see the harmonization of employee social protection as a tool to strengthen their policy of corporate non-discrimination and gender equality, particularly through maternity benefits.

Lafarge

Lafarge believes that all social protection programmes strengthen the Group's social policies.

It is clear that maternity benefits and the recognition of the right to maternity leave, ensuring the employee's right to return to the company in an equivalent position, are the basic elements of any action plan for non-discrimination against women and for professional equality.⁷

Moreover, the harmonization of social protection benefits reduces barriers to worker mobility. This issue was identified by the respondent companies and appears to be of growing importance given changing global market trends in employment. Indeed, the

⁷ For more details on the social protection of maternity, see the Maternity Protection Convention, 2000 (No. 183) at: http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_ILO_CODE:C183.

combination of demographic transition (reducing the availability of labour in many countries) and the displacement of economic growth centres, in particular to developing countries, could be at the origin of the need to ensure employee mobility within MNEs.

Danone

As regards health coverage (Dan'Cares), headquarters provides a framework for each contingency (maternity, hospitalization, outpatient) based on three criteria (quality, accessibility, out of pocket payment).

The harmonization of medical coverage plans is encouraged between subsidiaries within the same country.

Air France-KLM

The Group is careful to ensure that the services offered are not a barrier to international mobility for local talent. The system as a whole must have a certain logic and homogeneity.

3.2.3.2. A matter of costs

The harmonization of social protection gives companies better control over their compensation and benefits strategy. This control is now necessary because MNEs must comply with international accounting standards, including IAS 19 (see note 20 above), which is of direct relevance to the obligation to fund company's liabilities (including social protection coverage for employees).

Excerpt from the Veolia Environnement Reference Document 2011

Due to its international dimension, the Company must take these factors into account and ensure that it: [...] ensures the appropriate management of the Company by seeking to manage the costs associated with liabilities that fall within the scope of IAS 19.

Excerpt from the Sanofi Reference Document 2010

The year 2010 was devoted to ensuring and maintaining the balance of health insurance schemes established in 2007. The current balance allowed some improvements of benefit levels without extra funding sources, resulting in the signing of an amendment to existing agreements.

Some respondents also cited the need for a global retribution package policy, consolidated at group level, to cope with the demands of financial monitoring and also in order to control costs. Indeed, the harmonization of social protection allows among other things the negotiation of a single group insurance contract and the use of technical mechanisms (such as pooling) to reduce costs.

Veolia Environnement

We are currently developing a governance system with a procedure for pooling insurance costs at the country level. The goal is to have more consistency throughout our divisions by pooling providers (insurers and brokers) by country.

3.3. The formalization of corporate commitments

The Company may commit to carry out social protection action for all employees (supplementary to the statutory system where there is already provision for the contingencies that the company wishes to cover):

- either by negotiating with international trade union organizations across the group, in this case by signing an IFA; or

-
- unilaterally, in accordance with local statutory requirement for companies to bargain collectively on this topic. In this case, the company may finance the entire social protection contribution/premium.

However, the fact that the policy originates from a unilateral undertaking or the outcome of negotiations with employee representatives does not seem to influence the content and services offered. These are either a reflection of a broader strategy from the group management board and pre-exist any dialogue, or the result of harmonization of the company's existing social security programmes.

3.3.1. Commitments negotiated with global union federations

Of the 15 companies interviewed in the survey, only two have signed IFAs that provide worldwide coverage for their employees. Even these commitments relate only to means and do not include a definition of worldwide coverage levels.

It would seem that social protection is not yet a central issue in international negotiations between employers' and workers' organizations, which may explain why few agreements include provisions on social protection at the corporate level. However, the more recent commitments discussed in the first part of this study show the increasing interest of these organizations in the issue.

Danone/IUF in 2011

Dan'Cares action plan is intended to provide minimum medical coverage for all employees, primarily by ensuring that fundamental needs (inpatient and outpatient care as well as maternity) are covered by local schemes and/or insurance cofinanced by Danone companies and its employees, at a cost and of a quality and accessibility above or at least equal to those offered by other locally established international groups.

The application of the Dan'Cares action plan could be the subject of dialogue between the trade unions and/or staff representative bodies. Subject to local legislation, where staffs are asked to contribute, the introduction of health insurance shall be the subject of negotiation.

Employees of all Danone companies shall be covered under a disability/survivor insurance scheme.

3.3.2. Unilateral corporate commitments

Among the companies surveyed, few have passed the stage of stock taking of existing social benefits in order to develop a comprehensive strategy and deploy it in every subsidiary.

Most of those that have already implemented their strategy have extended their social protection programmes unilaterally. However, the implementation of these programmes is in accordance with local legislation and the obligation for the company to negotiate with workers' representatives on these issues. Compensation is often one of the issues negotiated, with social protection being part of the overall compensation package. This means that unilateral commitments by companies at the international level often lead to the signing of agreements with trade unions at the local level.

Carrefour website: Providing benefits to all our employees

In all countries where it operates, the Carrefour Group ensures that its employees receive adequate social protection. Where a social security system is inadequate, the Group implements health, pension and retirement plans, either as a substitute for the failings of local regimes, or to complement them.

Source: <http://www.carrefour.com/>, consulted in French on 8 Aug.2012 [our translation].

Total

The strategy with respect to social benefits was clearly defined at Group level. It is always implemented in compliance with the labour laws and thus may involve an element of dialogue with social partners.

The interviews show that in many countries the company pays the entire premium, which facilitates making a unilateral decision. Many multinationals thus see this as the fastest way to provide social protection coverage for all employees worldwide. Of course, this does not avoid social dialogue at the time of implementation, or choices concerning optional coverage, especially at the local level.

3.4. The stock taking phase

The MNEs chosen for this study were pre-selected for having made public their engagement to provide social protection to all their employees. However, this does not mean that their initiatives are all at the same stage of implementation. Thus, six of them were still in the stock taking phase when they were interviewed.

3.4.1. Functions involved

To assess the feasibility of their engagement, the respondents had to take stock of their current social protection practices for employees at all their worksites. They mobilized a range of stakeholders to achieve this, with the HR department at the forefront, supported by other functions (finance, procurement, CSR if any) when their expertise was needed.

3.4.1.1. The human resources department

The subjects of compensation and benefits, including social protection, are technical issues implicating corporate human resources policy. Thus, among the companies surveyed, the stock taking of existing coverage and wider piloting of the implementation of harmonized social protection programmes was generally conducted by the “compensation”, “compensation and benefits”, “social affairs” or “social relations” office within the human resources department.

France Télécom - Orange

The inventory is conducted by the Corporate Remuneration Department, co-piloted with the CSR Department. Health and safety policy is managed at Group level by the Department of Social Relations, Health & Safety division. At the local level, it is the head of HR of the subsidiary that supports the project.

Sanofi

Human Relations management is responsible for the stock taking. Human Resources provides support to subsidiaries and the Procurement management is responsible for negotiating cost with providers.

However, as a general rule, few of the respondents involved departments other than HR, even when the social protection process was extended to the families of employees or the surrounding community.

Some respondents mentioned that the HR department sometimes worked with occupational physicians in establishing the stock taking, especially when defining priorities for health coverage. Renault is an example of this type of method: the automobile Group has developed a fully integrated model combining the offices in charge of occupational health, social benefits and working conditions.

3.4.1.2. The finance department

Some companies reported the involvement of the financial department in social protection programmes. Ensuring financial suitability and creating multidisciplinary teams seems essential in order to take engagements related to long-term liabilities such as pension plans.

Two sorts of arrangement were identified: either the finance department is requested to review the stock taking, or it is associated with the HR department throughout the process up to the monitoring stage.

Example from a respondent requesting anonymity

The financial and HR management of the company worked together on the stock taking requested by the Group "given the major risks for HR (are there gaps in the coverage provided to employees?) and finances (is there a risk of uncontrolled social liability?)". Subsidiaries were informed and sensitized to the importance of the study by both the HR and finance channels.

Sanofi

The corporate HR Department has assisted subsidiaries in rolling out the process at the local level, as recommended by the Finance Department. The latter is also associated with the validation of projects and their verification.

3.4.1.3. The corporate social responsibility department

CSR management, when fully constituted (rather than being integrated into other departments), does not appear to be necessarily involved in establishing the inventory of the social protection of employees in the companies surveyed. In fact, they do not always include their action in a more comprehensive CSR policy focusing on health and well-being at work and beyond, for employees and society in general. It emerged from the interviews that, most of the time, the CSR management becomes involved further downstream in the development and monitoring of social protection programmes.

However, a few respondents involved their CSR department from the stock taking stage through to monitoring.

France Télécom - Orange

The CSR Department, co-pilot of the study, is fully involved in the stock taking process that the Group is conducting.

Lafarge

At Lafarge, a team is dedicated to workplace health and safety. The Human Resources Department integrates social policy and "Comp & Ben" [compensation & benefits, see Glossary]. The Sustainable Development team is integrated in the strategy. Everyone works together.

3.4.1.4. Procurement

Some companies call on the procurement department to study the issue of costs and opportunities for pooling guarantees, right from the stock taking stage.

Sanofi

Procurement cooperates in the process, both locally and at headquarters, to pool costs across the host country and thus benefit from competitive leverage and/or through pooling mechanisms.

3.4.2. Methodology used for the stock taking phase

The methodology used for the stock taking phase appears to vary, depending on the strategic approach adopted. As mentioned in the introduction to this report, the starting point for the process may correspond to an overall strategic vision developed more or less *a priori*. In particular, if clear instructions have been given at the outset indicating the willingness of senior management to engage in a specific type of coverage, the stock taking phase is necessarily limited to that form of social protection. If, instead, the initial aim is to have a clearer idea in order to envisage progressive harmonization of corporate social protection coverage where possible, the stock taking phase may be wider and less temporally constrained.

Havas

An internal investigation led to the establishment of a global inventory of agency practices concerning health-provident funds, insurance (disability, superannuation, survivor) and retirement pensions.

3.4.2.1. The scope of diagnosis

As for implementation, in many of the surveyed companies the stock taking phase was conducted gradually and not simultaneously at all sites. The subsidiaries with the most employees were generally given first priority and, only later, the host countries in which the company wishes to prioritize development. In general, the companies surveyed only permanent worksites in the stock taking phase.

France Télécom - Orange

In terms of scope, the benefit mapping will cover Group companies with more than 100 permanent employees, who work in a country where we have more than 200 employees. This selection covers 33 countries and includes 97 per cent of France Télécom - Orange employees.

Veolia Environnement

In the first instance the Group chose countries with a larger overall staff and those considered to be development priorities for Veolia Environnement.

3.4.2.2. Methodology

Among those companies surveyed, the aim of the stock taking was to gain an overview of the state of employee social protection (for one or more contingencies) in order to identify gaps to be filled. Existing coverage should be analysed for each location in terms of:

- Guarantees (which contingencies are covered?).
- Level of coverage (what is the benefit level?), which involves answering the following questions: What is the legal basis for mandatory coverage? Does the company offer supplementary coverage? How does the level of coverage compare with 1) the statutory protection system; 2) what competition offer to its employees; 3)

with the actual damage caused by the occurrence of the covered risk (potential needs expressed by employees)?

- Scope of coverage (who is covered?).
- Quality of coverage (timely delivery of service, quality of healthcare providers in the case of health insurance, etc.).

Danone

Danone mapped the existing situations through three criteria: quality of care and medical equipment; accessibility (making appointments and waiting time, geographical distance); and the share borne by the employee. This last criterion is the one that provides the best means of neutralizing inequalities in pay practices between countries.

Beyond identifying gaps in coverage or entities that provide no coverage for employees, the main challenge posed by the stock taking for the surveyed companies was often how to determine the comparative position of the company's coverage with respect to mandatory coverage and to market conditions.

Total

The Group wished to offer targeted health coverage and pensions at an average level of the reference market, taking account of both:

- the country in which Total operates and its national legislation;
- industry practices in the sector in which subsidiaries develop.

All these elements require a certain degree of familiarity with the subject matter and technical skills in the domain of social protection. For this reason, many of the surveyed companies used an external provider (consulting firm, insurance broker) for all or part of the research, notably for the benchmark of benefit levels - mandatory, offered by the competition - and the evaluation of healthcare providers where necessary. However, the companies surveyed did not fully outsource the conduct of the stock taking in all their subsidiaries.

Total

Total launched a call for tenders by region for the consultations. The phase of identifying the existing situation and measuring gaps could then begin. The more diverse activities at Total led to greater discrepancies being identified.

Example from a respondent requesting anonymity

The mapping work was entrusted to an external provider.

The purpose of the study was:

- to identify existing mechanisms (whether or not there is coverage);
- to rate them (worse/ average/ better) in relation to a benchmark generally defined as that practised by the large locally established multinational companies, supplemented if necessary by a study of the sector in which the subsidiary operates;
- to present the basic associated financial data (cost per system, cost per person, social engagements).

Danone

Danone mandated a consulting firm in order to benefit from expertise concerning the healthcare market and on local business practices.

Some respondents established their benchmark of "coverage offered by competitors" through sectoral initiatives. In each sector, some initiatives allow companies to participate in online collaborative platforms where they communicate their employee social protection practices, allowing them to position themselves on the market.

Air France-KLM

The APDC (Airline Personnel Directors Council) is a collaborative platform for airlines. It is a free benchmarking network for remuneration and all social advantages and benefits (pensions, health, housing, etc.), where information for companies is available in factsheet form. For example, there is information on eligibility, exclusion criteria (length of service, etc.). The data exchanged satisfies antitrust laws and cannot be seen by other companies unless they have also provided information. In order to complete this profile, each delegation must complete a questionnaire and place it directly online on the network.

Sanofi

The Group takes part in an annual survey on social protection in 67 countries around the world, alongside 16 other multinational companies in the pharmaceutical sector.

Some of the companies surveyed were found to have included in their mapping *all* the benefits they offered employees and not just social protection coverage. This is a particularly important point when the company itself is a service provider for the social protection of its employees (existence of health facilities constructed by the company, catering costs borne by the employer, solutions for employee child care facilities, etc.).

Example from a respondent requesting anonymity

The material scope of the study was clearly defined: pensions, provident funds and healthcare. In practice, the study was extended beyond the field of social protection to other mechanisms that generate employee benefits (awards, etc.) or that cover health and welfare, but in a wider context (such as social funds offering a wide range of benefits).

France Télécom - Orange

To obtain a comprehensive view of the benefits enjoyed by employees of the Group, France Télécom - Orange lists:

=> "Basic" social protection:

- risk of death, disability and incapacity;
- health insurance (inpatient, maternity, outpatient, dental and optical);
- old-age pensions.

=> As well as "additional benefits" such as:

- aid to finance the purchase of a vehicle or house, etc.
- social services, funded by the employer (in some countries managed by the Works Committee), etc.

3.5. Implementation

When this study was made, less than two-thirds of the companies surveyed had progressed past the mapping stage. Based on the results of the mapping, the companies have determined the guarantees they wish to cover, the target population, the prioritization of certain countries for incremental deployment, the practical modalities of coverage (the risk carrier, etc.) and the financing and monitoring procedures.

As mentioned above, the survey focused on elements corresponding to the following benefits: health insurance, sickness leave, maternity, disability and survivors' benefits. Guarantees related to old-age benefits are often mentioned but have not been studied in detail because it was not the wish of the respondents and, in addition, it appears that

companies' social protection policies for this risk are much less centralized since national laws in this respect are often more extensive and varied across countries than for other contingencies.

3.5.1. Specifications

The specifications, i.e. the range of choices made by the company to implement its strategy of extending coverage to all employees, again depend heavily on the method of development and degree of centralization of the company's strategic vision. As mentioned above, some companies had predefined the elements they wished to address (contingencies, target population, minimum coverage level) even before the inventory. Others had to make all these choices in determining the specifications.

The fact that specific objectives and engagements have been adopted upstream of the stock taking can also help the companies concerned to determine specific coverage standards at the group level. For companies focused on a more progressive approach to harmonizing levels of coverage, the establishment of single standards at the group level is likely to be a longer, more decentralized process.

3.5.1.1. Contingencies to be covered and levels of coverage

The companies surveyed tend to prioritize coverage for the following contingencies: sickness, maternity, death, disability and old-age, similar to the results of the CAC 40 companies that were screened. However, old-age benefits appear to be both more highly regulated and more diversely covered depending on the place of business, but also less prone to the development of group-level harmonization.

Excerpt from the Air France–KLM sustainable development report, 2009/2010

Air France–KLM wants its employees – wherever they operate worldwide – to enjoy social protection (for expenses linked to sickness, maternity, accidents or death) to guarantee a decent standard of living.

Health, survivor and disability coverage is almost always prioritized by the respondents, which is why this study focuses on those contingencies. Moreover, it should be noted that these are often the contingencies prioritized when a country wishes to extend its social security system. Once the contingencies to be covered are prioritized, the companies need to determine the desired levels of coverage. Several trends stand out in this respect.

- i. Those companies that had a clear purpose and specific *a priori* engagements from the outset found it easier to define minimum levels of protection for all their implantation sites, while those companies that opted for an *a posteriori* harmonization process tend to adapt levels of coverage when renewing insurance contracts and when opportunities for cost reductions arise (e.g. the introduction of pooling).
- ii. Companies found it easier to define a worldwide level of protection for survivor and disability coverage through a lump sum payment in case of an employee's death or disability, than for health benefits, which are by definition more complex to compare between the different host countries.

Total

The benefits strategy was clearly laid down in 2006 with the enactment of a governance and approval framework for social protection plans and the establishment of a single internal standard called the "global group standard" in the case of death from all causes (lump sum or pension to survivors amounting to 200% of annual base salary). Subsequently, reference to the median of the local industrial market was promoted.

Lafarge

In 2010, the Group decided to cover the risk of death from all causes by a lump sum or annuity of at least 2 years' salary.

Danone

The guaranteed minimum payment in case of death or disability occurring as a result of a private or professional accident is equivalent to one year's salary.

- iii. When they attempt to define a global level of coverage for health contingencies, the companies surveyed do so by defining a standard healthcare package, and sometimes by establishing a maximum out of pocket payment for employees.

Excerpt from Danone Sustainability Report 2011

The Dan'Cares program was introduced to achieve Danone's dual economic and social project. It has an ambitious target: by 2013, Danone's 100,000 employees will be entitled to health insurance covering basic care: inpatient care, maternity care, medical consultations and pharmacy services.

Excerpt from interview with Danone

Danone established a solid floor of complementary health insurance since the stock taking phase, so that the subsidiaries could conduct a self-assessment on the basis of comparable elements.

It was agreed that the base perimeter would cover: maternity, inpatient and outpatient expenses including pharmaceuticals and that out of pocket payment should not exceed 20% of the cost of care.

Total

Supplementary health coverage includes:

- outpatient care,
- inpatient care,
- dental costs,
- optics,
- sick leave with the establishment of a fixed daily rate based on legal or negotiated rules,
- maternity leave, with the establishment of a fixed daily rate.

The survey reveals that most companies that have defined a basic healthcare package for their employees have included inpatient care, outpatient care and essential pharmaceuticals. Some companies have gone further and provided wider coverage, while others cover the risk of income loss during sick leave. However, none set a global minimum nor appear to have made it compulsory in all subsidiaries. In addition, eight companies specified that they cover maternity leave and that they require their subsidiaries to set up such cover when located in a country where the law does not address this issue. Yet again, minimum levels do not appear to have been defined concerning provisions either for compensation for loss of wages during the absence granted to the employee or for the conditions of her return to the company and previous post.

AFD

[...] Between 80 and 90% coverage is provided for:

- dental expenses (with prior agreement for prostheses and dentofacial orthopaedics),
- optics (with prior agreement for laser surgery).

Vallourec

Maternity is covered *ad minima* by legislation in most countries, but in all cases, corporate social protection coverage protects female employees during maternity leave.

iv. Many respondents do not implement a minimum level of coverage for their employees worldwide. However, they may issue guidelines to their subsidiaries, particularly for the contents of the health insurance package, for example. The head office can also provide technical support to facilitate operational implementation of these guidelines. In these cases, subsidiaries have more leeway in defining the details of the guarantees offered to employees. This also means that the company's engagement is weaker, since it commits only to offering some social protection to its employees rather than a minimum level of coverage.

France Télécom - Orange

Each France Télécom - Orange entity has a social protection policy and, as such, a considerable degree of autonomy is left to the local level concerning the local conditions with which it is familiar.

Veolia Environnement

Veolia Environnement has not yet determined the deadline for the Group to harmonize social protection systems of its subsidiaries. It reasons in terms of opportunity rather than systematically.

Lafarge

Lafarge has laid down five principles:

1. A country by country approach, in view of the national statutory systems of social protection and taxation.
2. As employers, subsidiaries must develop action plans according to defined criteria. They must be:
 - robust, that is to say, designed for the long-term,
 - affordable,
 - flexible, offering to the extent possible a number of options to employees,
 - efficient, satisfying employee expectations,
 - competitive (compared to what similar companies offer to their employees).
3. In terms of financing, there must be a sustainable risk management system.
4. On the issue of governance: a good management plan involves trained actors.
5. The action must be communicated to employees.

3.5.1.2. Protected persons

Regarding health insurance, the respondent companies appear to be engaged in a process of progressive extension of the target population, focusing first on their primary stakeholders, employees, and then widening their aim progressively (see figure 11).

Figure 11. Progressive extension of protected persons



i. Employees

Among the companies surveyed, eight out of nine that were in the implementation phase engaged to provide coverage to all employees, regardless of the type of contract: part-time or full-time, fixed term⁸ or indefinite. Delays in implementation may prevent immediate coverage, but these companies clearly demonstrate their willingness to set a target coverage of 100 per cent of their employees.

Sanofi, website

Sanofi strives to ensure that all employees worldwide have high-quality benefits and income for retirement. Each plan must aspire to equitability, respect for others and compliance with local regulations and cultures.

Source: http://csrreporting.sanofi.com/web/people/compensation_benefits_employee_benefits_ [accessed on 25 July 2012].

ii. Employees' families

With few exceptions (see examples below), those respondents who have undertaken to provide health benefits do not extend coverage to the employee's family, the main reason given being the cost.

⁸ However, there may be exclusion criteria based on length of service that may, in fact, exclude certain fixed-term contracts. It was not possible in the context of this study to collect more detailed evidence on the reality of coverage of such contracts.

Total

The principle is to protect the family (spouse and children).

The question arose of what exactly is meant by "family". For example, in India it includes parents. In that case, Total chose to support the employee plus four dependants of the employee's choice, which allows to match the most common family model: a spouse, two parents and a child.

AFD

The guarantees protecting employees are globally uniform and extended to:

- the spouse,
- his/her children and those of the spouse [...],
- if necessary, other beneficiaries recognized as dependants by AFD,
- retired AFD employees,
- other entitled beneficiaries during the employee's retirement.

However, companies often seek to differentiate themselves by meeting the expectations of their employees or potential candidates, so that in fact, risk coverage is extended to the families of employees in many host countries.

Danone

The Dan'Cares programme encourages guarantee extensions, as far as possible, to families, covering primarily children and then spouses.

It is on this point that employee expectations are strongest. Accordingly, Danone tries to answer on a case by case basis, rather than applying an "all or nothing" approach.

Thus, where health coverage is not extended to families, Danone may offer to finance the most serious inpatient cases.

In this way, the corporate head office can provide guidelines to subsidiaries, by stating that family cover is highly recommended or by weighing in at the group or local level to negotiate special rates for families.

Lafarge

The social protection strategy of the Group extends to their families to the extent possible.

Indeed, Lafarge has already had the occasion to note, for example, that employees with HIV/AIDS preferred their relatives to receive drugs instead of themselves, which was neither imaginable nor tolerable: a family approach was chosen, of course.

iii. Other possible protected persons

Two categories may be distinguished here:

- the employees of suppliers,
- the surrounding community.

For these two categories, social protection is not provided as such,⁹ but rather access to the facilities and services offered by the company, if any (healthcare facilities, schools, etc.). The interviews show that, in general, the question of access to such infrastructure put in place by the company is left to local discretion and is not subject to instructions from the head office.

As previously explained in the study of IFAs referring to social protection coverage as a corporate commitment, only GDF Suez mentions the extension of its commitments to its subcontractors. This is an obligation in principle.

Yet, as regards the coverage of employees of suppliers, MNEs would indeed be able to intervene.

Lafarge

There are Group recommendations, and subcontractors must ensure that the conditions of remuneration and health and safety of their employees comply with national legislation and the Group health and safety standards for subcontractors.

In particular, when employees of both entities (contracting company and subcontractor) work at the same site, it would appear common practice for the subcontractors to align the social protection offered to their employees on that of the contracting company, especially to ensure good labour relations.

Vallourec

Vallourec gives no guidance, but when the employees of subcontractors are on site, the logic of cohabitation takes precedence, prompting the subcontractor to align its offer.

iv. *Paying attention to exclusions*

For businesses that offer social protection to their employees through a private insurance company (the majority, see below), the group contract should normally allow minimum affiliation conditions and exclusions. However, the small numbers covered and the immaturity of the market for social protection coverage are factors that may require the company to consider these dimensions (affiliation and exclusions) carefully, to avoid any discriminatory practices.

The most common conditions of affiliation upon signature of a contract include:

- seniority in the company (which may result in the exclusion of fixed-term employees),
- a medical examination or health questionnaire,
- the employee's age,

⁹ The fact that the respondents do not wish to extend the social protection provided to their employees to the employees of suppliers or other members of the neighbouring community is often due to the associated risk of reclassification of the employment contract. Indeed, in a number of national legal frameworks, providing social protection coverage leads to legal enforceability of this action and the possible reclassification of the contracts of the employees concerned.

Excerpt from the Sanofi Sustainable Development Report 2007

The Group's qualitative guidelines regarding respect for individuals are a mandatory requirement for all, affiliates regardless of their economic potential, culture or local market offerings. Whenever an insurer requires a preliminary medical exam or excludes an insured employee, the Group offers either to reduce the level of coverage; or to pay an additional premium; or to pool risks at the Group level, through a worldwide pool, in order to allow a local insurer to provide coverage.

Three MNEs participating in the survey state that they have negotiated the abandonment of exclusion criteria vis-à-vis employees living with HIV, and five of them give instructions to their subsidiaries to avoid exclusion criteria in the packages they adopt (including in relation to chronic diseases). In some cases, companies reinsure such exclusions.

AFD

AFD was able to negotiate that there be no exclusion criteria, such as support for people living with HIV/AIDS and chronic diseases.

Lafarge

The group requires that there be no exclusion criteria in relation to HIV/AIDS on the part of its leading insurers.

3.5.2. Technical means of implementation

Once the specifications are produced, technical implementation should be structured in terms of the risk carrier, claim management, governance of the system and communication with beneficiaries.

As for the stock taking phase, the extension of social protection coverage to all employees in the companies surveyed is often progressive.

Danone

In 2010, the audit involved 15 countries, eight of which launched action plans in 2011 (17 subsidiaries and about 30,000 employees): Brazil, China, Indonesia, Mexico, Poland, the Russian Federation, Saudi Arabia and Spain.

In 2012, the health systems of 26 more countries were audited and new action plans were adopted.

Given the technical nature of the implementation of social protection, many of the respondents chose to associate an insurance broker to resolve technical issues and sometimes even in the establishment of the specifications.

3.5.2.1. Risk carrier and management of claims

It emerges from the survey that the respondents have implemented various mechanisms to ensure that all their employees are covered. Again, these mechanisms, particularly the risk carrier and claim management, may be more or less centralized and standardized.

Some respondents delegated the technical aspects of implementation entirely to subsidiaries through a decentralized approach. In such cases, the head office imposes an obligation of results (coverage must meet the criteria defined in the specifications) and not an operative method.

Danone

Headquarters provides guidelines, as mentioned above, with respect to the content of the care package and the amount paid by the employee. Implementation of the action plan lies with subsidiaries, both in the choice of benefits and insurers.

Excerpts from the Sanofi Sustainable Development Report 2007

The Group works with affiliates to find the best way to adapt the Group policy requirements to local conditions. In addition, Sanofi-Aventis monitors the quality of all insurance policies provided at the local level.[...]

This procedure concerns the improvement, renewal and implementation of new coverage. [...]

All projects must receive prior authorization from the Human Resources and Finance Departments and must respect the defined principles.

In other companies, outsourcing the risk carrier to one or more insurers is centralized, either because they require their subsidiaries to pool, or because they insist on validation of selected insurers by the head office.

Total

A country-specific approach allowed Total to operate as a project manager with its subsidiaries. This gave them more ownership over the Group project to harmonize social protection benefits. They were highly mobilized on the issue.

In Asia, for example, a plan covering death, injury and illness was defined in collaboration with local teams; and a tender to select a single insurer was drafted, allowing economies of scale.

Lafarge

The Group has put in place two poolings to achieve better geographic coverage, and invites its subsidiaries to choose between them. They must include them in their tenders and, where applicable, their choice to go through another provider must be justified.

Some companies directly carry the risk themselves. However, outsourcing of health claim management is often the rule, especially considering:

- the complexity and burden of managing health insurance claims;
- the desire to delegate management of sensitive data regarding employees to a third party; and
- the opportunity to benefit from networks of healthcare providers and third-party payment mechanisms through a broker, for example.

AFD

AFD is its own health insurer but outsources the management to a broker, especially for reasons of confidentiality.

The broker has an extensive network of listed healthcare providers. Thanks to this reference system, the employee has the choice between several healthcare providers.

The third-party payment mechanism created by the broker avoids out-of-pocket payments for employees.

In most cases, the risk is not carried in the same way by all subsidiaries. In some, it is borne by the company (due to a lack of private insurers in the market given the small number of employees concerned, by choice of the subsidiary in accordance with local customs, etc..) and in other cases it will be borne by one or more local private insurers.

Total

Deployment commenced with all major countries (entities with more than 150 employees). We thus had to find private insurers in markets that were not always mature, in which case Total was its own insurer (Africa, Asia).

Lafarge

Except a few limited cases where it is self-insured, Lafarge uses private insurance companies.

In those cases where the companies surveyed have established healthcare facilities, the related risk is generally borne by the company itself, which then plays the role of primary carrier (first entry point for the reference system).¹⁰

Extract from the Total Society and Environment Report 2011

Most of our major subsidiaries have their own health facilities. [...]

Our International Medical Department therefore conducts campaigns worldwide to provide health-related information and promote healthy behaviours among employees, their families and the wider community, targeting major pandemics like HIV/AIDS, malaria and avian flu. At the local level, it creates and operates medical structures and audits the hospitals closest to our facilities.

3.5.2.2. Workers' representatives involvement

The survey shows that companies can involve workers' representatives at different levels.

- i. The respondent companies rely on their workers' representatives to relay information to employees.

Lafarge

Where possible, involving the social partners is also a guarantee of understanding on the part of all employees.

- ii. Workers' representatives are systematically involved, i.e. either informed or consulted, when regulations require it. On the highly technical issue of social protection, union representatives should be trained and sensitized, especially in contexts where social protection is not traditionally a subject of negotiation. A number of studies by the ILO since its creation show that social dialogue and the involvement of workers' representatives in corporate decision-making promote business and contribute to the emergence of innovations in employee protection.¹¹ These principles apply to both social protection and CSR.

¹⁰ That is, the national reference system of healthcare providers (the first level consists of primary care; the second level is a more advanced technical platform to which patients are referred by the first level), often introduced by countries to avoid congestion of high-level care structures such as hospitals.

¹¹ For further information see: <http://www.ilo.org/global/topics/workers-and-employers-organizations-tripartism-and-social-dialogue/lang--en/index.htm>.

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- iii. Some respondents chose to consult workers' representatives during their implementation of social protection benefits because they can be sources of solutions or innovation in this area.

Danone

Unions and workers' representatives are involved to varying degrees depending on the country of establishment (in some countries they are banned, in others historically very active, such as in Latin America).

- iv. In some of the companies surveyed, workers' representatives may also participate in the monitoring process, either because the issue is discussed on a regular basis when employee representative bodies meet the management, or because a monitoring body with equal representation on both sides (management and employees), was created specifically to measure the development of the social protection programme.

Excerpt from Sanofi Sustainable Development Report 2007

All projects must receive prior authorization from the Human Resources and Finance Departments and must respect the following principles:

- involve employees and their representatives in establishing coverage through local forums for social dialogue;
- address all functions and offer the same benefit plans to all employees in a given country (...).

3.5.3. Financing

Once the specifications have been determined and technical solutions for implementation found, the effective implementation of the extension of social protection coverage to all employees must be financed. Two elements then arise: first, financing initial development (choice of provider where appropriate, negotiation, communication with employees, payment of the first contributions premiums if applicable, etc.); and then financing premiums coverage over time.

3.5.3.1. Financing implementation

As stated above, implementation is often decentralized. However, this does not mean that the headquarters does not provide technical or financial support.

All respondents have adopted the principle that subsidiaries should fund coverage themselves, in order to integrate the cost of coverage in the accounts of each entity over the long term. This represents an increase in subsidiaries' costs, which is why some companies have provided seed money to help the subsidiaries in the early stages of implementation.

Total

The establishment of a homogeneous coverage system can be costly for the subsidiary.

To do this, there are usually three options:

- Group matching financial assistance by using the international dividend from pooling agreements. This solution must be exceptional because it raises issues concerning the sustainability of the social protection system.
- Spreading implementation over time. A compromise must be found between achievable goals for the branch and deadlines that allow employees to benefit from coverage quickly.
- Monitoring implementation within the time originally allotted imposed by the headquarters.

Danone

To encourage rapid implementation of the Dan'Cares programme by subsidiaries, Danone has created a temporary acceleration fund at Group level that supports up to 30% of the overheads costs of implementation of the social protection programme. Subsidiaries that engage in the programme can only apply to this fund during the first two years, the aim being that, for reasons of sustainability, they be able to assume the cost of their employee health coverage alone.

3.5.3.2. Financing social protection coverage

- i. Among the respondent companies, there do not appear to be any pattern in terms of financing survivor, disability and health benefits. None of the respondents issued a global rule on this issue. The share funded by the employee therefore varies according to the host country, in particular according to local regulations and the ability of employees to pay.
- ii. As regards health insurance, the issues of coverage levels and the possibility of co-payments for care. Again, few respondents have identified a single coverage level or proportion of out of pocket payment by the employee throughout the group. This issue is also pertinent for companies that have established their own healthcare infrastructure. Once again, among the respondents, there seems to be no overall rule concerning co-payment for care by the beneficiary (employees, families of employees or appropriate members of the surrounding community). There is not necessarily an alignment with the practices of the host country healthcare system.

AFD

AFD covers the cost of health insurance entirely. Coverage is at 100%, 90% or 80% of the total cost of health care depending on the type of care. Thus, there is an out of pocket payment for the employee of around 10% of costs depending on the type of care.

Total

Medical benefits are co-financed as much as possible by the employee for reasons of cost awareness.

The opening of Total clinics to local communities is a local initiative.

- iii. Concerning risk pooling and reducing the costs of health insurance, some companies surveyed have decided to set up one or more risk pooling mechanisms, which may or may not be imposed upon their subsidiaries.

Veolia Environnement

We are currently developing our system of governance, with a pooling process at the country level. The goal is to have more consistency in each division by sharing providers (insurers and brokers) by country. Target countries representing a large number of employees create the critical threshold needed to benefit from a leverage effect. There is not yet any Group-wide rule for employer/employee cost sharing as regards health insurance and provident fund.

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- iv. Some respondents finance a portion of the cost of additional coverage for employees, and in particular the provision of services (e.g. healthcare infrastructure) through their foundations. This gives them the advantage of tax benefits related to the status of the foundation, but also allows them to capitalize on the expertise of their foundations, which are often responsible for many other aspects of CSR policy (and often traditionally responsible for socially oriented corporate funded infrastructure).

Lafarge

Indeed, in order to take account of its stakeholders and maintain the "licence to operate", each subsidiary must become involved in at least one project (education, health, road safety...) in favour of the community. In cases where Lafarge has set up clinics, they may be included in the programme dedicated to local communities by extending their services.

3.5.4. Internal communication

3.5.4.1. Communication with employees

The last step in implementation is to inform employees of their (new) social protection benefits and provide them with all the information they need to claim them.

Companies have a range of media at their disposal in this regard, including group information meetings, brochures and the company intranet, where applicable (when employees do not use the intranet as a working tool, some companies make a dedicated space available for this purpose). These documents must be adapted and translated into the languages of the countries concerned. Finally, another possible medium is individualized information on the benefits received by the employee (this can be in the form of a dedicated individual interview).

Lafarge

Lafarge produced formal information documents for its employees (brochure and booklet for the HR Director of subsidiaries when they take up their position) on the social protection principles set out by the Group in 2006. Locally, communication with employees is made individually.

France Télécom - Orange

Communication with employees is achieved through various means:

- Presence on most HR intranets of complete explanatory records relating to social protection;
- Summary brochures given to employees; in some countries a summary social audit of all individual elements of compensation, including employee social security benefits;
- Briefings for employees on the coverage in force.

Total

In its *Environment and Society Report 2009*, it was already noted that a programme implemented from 2010 by a single insurer providing survivor, health and disability insurance would be the subject of a specific communication plan to inform employees of these new guarantees.

In fact, this means two to three meetings on site required of the insurers or brokers, to clearly explain their rights to employees, in addition to brochures which are not always sufficient.

3.5.4.2. Capitalization

Sharing best practice between subsidiaries is seen as having a ripple capitalization effect on experience in the two companies that have implemented it.

Danone

Dan'Cares improved communication on health coverage between subsidiaries located in the same country and, in some cases this allowed collective negotiation of contracts with insurers.

Lafarge

Following the action to combat HIV/AIDS that was implemented in Africa since the 1990s, Lafarge developed a guide that was released publicly. It describes a methodology to inspire subsidiary managers to implement the same type of action on their own sites, depending on health priorities.

3.5.4.3. Promotion of the action internally

The challenges of employee retention and enhancement of the “employer brand” would suggest that respondents would wish to promote their programmes to employees as much as possible. However, this is something that the respondents do not seem to consider as a priority, often because implementation is not yet complete.

Vallourec

There is little internal communication at the local level, because employees are well aware of what is done for them in terms of coverage. Corporate communication is carried out on more general topics, relative to "comfort at work" (working conditions, welfare...).

3.6. Monitoring and impact evaluation

3.6.1. Monitoring

The respondent companies do not appear to have developed consolidated reporting procedures at group level on social protection, thus preventing them from publishing detailed, comprehensive data in their public reporting. This supports our conclusions on the analysis of reporting tools in the first part of the study, and indicates a wider problem of lack of international standards for CSR reporting on this issue.

3.6.1.1. Internal monitoring

It appears from the survey that headquarters follow-up takes place mainly in monitoring action plans to implement social protection, in answer to the question: “Where are we vis-à-vis the action planned by each subsidiary?”. The flow of information to head office appears to be variable and the aggregation of indicators is not systematic, even on data such as the total number of protected persons, the total number of actual beneficiaries, etc.

Excerpt from the Danone Sustainability Report 2011

By 2011, eight countries (Brazil, China, Indonesia, Mexico, Poland, the Russian Federation, Saudi Arabia and Spain) had begun to implement Dan'Cares: consequently, 28,000 employees benefited from better medical insurance in 2011.

Vallourec

Action plans of Vallourec subsidiaries are reported to the General Management.

According to the survey, this can be explained both by the fact that initiatives for extending coverage to all employees are still quite recent, but also by the complexity of defining key indicators (no international standards on the subject exist at present) and aggregating data for certain types of information.

Lafarge

There is a benefits database but it is not aggregated. Medical plans are monitored at the local level. The head office has a certain vision but it is not consolidated.

The head office oversees the contingencies involving the longest and most expensive action plans. These are:

- retirement pension plans,
- survivor/disability insurance, in terms of premiums paid,
- pooling.

Air France-KLM

The Group Human Resources Department controls indicators for each country such as:

- premium levels,
- the benefits provided under the various compulsory public systems,
- supplementary benefits.

At the subsidiary level, it appears clear that at least the cost of coverage and the number of affiliated employees is monitored (but not always the number of protected persons, for example).

3.6.1.2. Public reporting

Given the weak structure and aggregation of internal reporting, it is difficult for the respondent companies to communicate on their monitoring of the introduction of social protection for all employees. There is a certain amount of communication through CSR and sustainable development reports (as well as websites, annual reports and reference documents), but this is more in the nature of communication on initiatives than reporting on the basis of specific indicators. For example, it is difficult to find information in these documents on the number of protected persons, the exact nature of coverage or coverage levels.

This may be explained by the lack of reporting standards for social protection in CSR reporting standards and the GRI (see Appendix V). The absence of social protection criteria in the toolboxes of most CSR rating agencies and the low visibility of social protection in the definitions of corporate responsibility at the international level (in particular the Global Compact)¹² also contribute to the lack of data on the social protection of employees within companies. The United Nations Conference on Trade and Development (UNCTAD) tends to agree when it lists the main limitations of CSR performance assessments in its 2010 report (see UNCTAD, 2010). Among these limitations, UNCTAD notes the trend in CSR reports and analyses to focus more on process issues than performance and the actual impact of actions. It also notes the subjective aspect of the business vision reflected in such reports, despite external audits and assurance mechanisms.

However, the new ISO 26000 refers explicitly to social protection, showing a positive trend towards the integration of social protection issues in CSR policies (see Appendix V).

¹² The Global Compact is based on 10 principles, of which nos. 1–6 refer to the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. Although these two instruments are closely related to social protection, this is neither explicit nor visible; see: www.unglobalcompact.org.

3.6.2. Impact assessment

It is clear from the survey that the respondents do not conduct a systematic evaluation of the impact of the introduction of social protection benefits for their employees. Some refer to disparate elements of the impact assessment without allowing to know whether these are directly related to the social protection coverage offered:

- i. Economic impact for the company.

France Télécom - Orange

Among the indicators we monitor, short-term absenteeism is measured.

Vallourec

Staff turnover is measured. For example, in Dubai, it decreased from 30 per cent (before site acquisitions) to less than 10 per cent per year. In China, it is six or seven per cent compared with an average of 18 per cent in developing areas.

- ii. Impact on employee satisfaction, but not specifically related to social protection.

Vallourec

Conducting a survey can help foreseeing the social environment in a given activity.

Out of the 80 questions in the survey, one group concerns compensation and benefits. In Brazil, China and France, where the survey was conducted for the moment, the participation rate in the questionnaire was approximately 90%. The average satisfaction on this subject is around 60%.

Total

Total conducts an opinion survey called "Total Survey" every two years. It measures evolution in the main themes and elements of HR policy for each entity and the Group.

The last barometer contained questions on pay and benefits (medical and pension benefits) that demonstrated an improvement in satisfaction with social themes after deployment of the alignment and harmonization project for each country.

For example, employee satisfaction in China increased by 10 to 15% to reach 51% globally.

Contrary to popular belief, people under 25 are the most satisfied and this is particularly true in developing countries, such as China, India and Viet Nam.

- iii. Impact on improved territorial anchorage, but not specifically related to the social protection offered.

Lafarge

Improvement in territorial anchoring and links with local authorities are empirical. The methodology for monitoring indicators of the impact on local communities is still ongoing because these audits are not just comp & ben [compensation and benefits].

Bouygues-Colas

One indicator tracks efforts in local dialogue by subsidiaries.

For more details see: <http://www.colas.com/fr/developpement-responsable/indicateurs-et-certifications/dialogue-local-940109.html> [no equivalent found in English].

The financial impact on affected households or the impact on the health status of beneficiaries in the case of health insurance coverage are not yet measured.

4. Conclusion

This exploratory study has shed light on a possible conceptual framework for the relation between the extension of social security and CSR, especially among MNEs. It became clear, in particular, that various entry points to the ILO's two-dimensional strategy for the extension of social security are possible: through the provision of voluntary social protection coverage complementing existing statutory provisions for employees, their families and even the wider community; through increased social dialogue concerning the involvement of employees in the establishment of such coverage; and also through the formulation of market solutions to the social protection-related needs of the poor. Operational implementation through the corporate value chain can thus be achieved through certain support functions (human resources, procurement) and through the production chain.

After conducting an analysis of the IFAs (see Appendix III) and public reporting of several groups of large publicly listed MNEs (see Appendix IV), it appears that the voluntary extension of social protection to all employees, beyond statutory obligations, is being developed by a number of MNEs, especially those of French origin. This led to the conduct of a survey of 15 MNEs based in France on the subject of the voluntary extension of social security coverage to all employees (and by extension to their families and the local community) at all worksites. Research is still to be conducted on the wider issues raised by the other potential entry points identified in the conceptual analysis of the relation between the extension of social security and CSR.

This study shows that there is recent and growing interest in the social protection of employees at the group level of the multinational companies that were interviewed. Despite the low amount (one quarter of the S&P 100) and quality of CSR reporting on social protection, a number of elements reflect this growing interest. On the one hand, some companies are making engagements on this issue and, on the other hand, some have begun to take stock in order to obtain a comprehensive view of the current state of social protection of their employees worldwide. Moreover, the fact that, during this process, companies routinely obtain information about the practices of competitors shows that there can be a domino effect towards the growing awareness of MNEs on this topic.

It is interesting to note that the main areas of business motivation for the extension of social security to all employees are comparable to an operational deployment of the arguments in favour of the extension of social security developed by the ILO. This includes the investment in human capital, which can ultimately create a virtuous circle for the company (improved productivity, lower staff turnover, etc.) and more broadly for employees, their families and even the community where these companies operate.

It should also be noted that, although their means of implementation are different, all surveyed companies indicated that they see their action as supplementary to existing statutory social security systems (by providing benefits that are not covered or by providing additional coverage to raise the level of protection). More systematic research and documentation on international practices should help both to monitor the activities of large multinational groups and to assess whether or not their initiatives can be integrated into effective national strategies of extension of social security for the host countries and their wider national strategies for development and combating poverty.¹

To achieve this, the research perspectives identified by the authors could include:

¹ On this specific aspect, see the ILO MNE Declaration.

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- i. The conduct of a broader survey (especially in terms of the analyzed elements of social protection)² of companies from a range of countries, including emerging economies, in order to create a database on the theme of social protection in CSR action. This could lead to the creation of an “observatory” that would aim both to document best practices and to analyse the impact of the integration of a social protection component of CSR on beneficiaries, businesses (competitive advantages? development of internal social dialogue?) and the host country, thus taking into account the specific context of each country.
 - ii. The documentation of practices by a global observatory would also provide an opportunity to develop a toolkit for organizations wishing to develop a social protection component for their CSR policy. Such a toolkit should provide methodological tools for particular stages of the stock taking,³ selection of coverage options and implementation thereof by the company. The starting point could be the systematization of best practices among companies already working on the issue. The toolkit would also provide the necessary elements to link into national strategies to extend social security in host countries. Finally, a clearer framework could be introduced for respecting the principles of ILO Recommendation No. 202 (sustainability of coverage, monitoring, etc.).
 - iii. Beyond documenting practices and developing a toolbox, this observatory could also conduct in-depth analysis on monitoring and evaluation of MNE practices in social protection. As discussed in this study, there is a need for structuring and standardization of reporting on this topic. This should include the highlighting of key indicators for global monitoring, as well as methodological tools allowing monitoring by the company based on its initial objectives and in connection with the extension of social security coverage in each host country. Elements to guide an impact study of these initiatives could also be developed.
 - iv. Advocacy work should be conducted with the bodies in charge of CSR at the global level, such as the Global Compact or the UN Resource Centre for Business and Human Rights, in particular so that social protection is recognized as an important aspect of CSR policies.
 - v. This awareness should also be raised within the agencies developing reporting standards, in order to promote indicators of social protection and, ultimately, enable true visibility and promotion of social protection in CSR. This would contribute to setting off a wider domino effect: driving competition but also investors, through the integration of social protection in CSR rating criteria. Further work in conjunction with rating standards and methods for responsible investment would be useful in this context. Promoting awareness on this issue among key stakeholders would also be necessary.

Faced with these prospects for research, the ILO appears best placed, due to its mandate and also the skills it already has in all aspects of the issue (social protection, social dialogue, the social policies of MNEs, etc.).

² The coverage of contingencies such as unemployment and old age was not analysed in detail in this survey of the 15 MNEs, as mentioned above.

³ As mentioned in the survey results, this stage would include an analysis of the national social protection system on which the ILO is already collecting considerable amounts of data.

Appendices

- I. Summary of responses by eight respondent companies
- II. ILO international Instruments on social security and corporate social responsibility
- III. List of international framework agreements
- IV. List of companies whose CSR reports, annual reports, reference documents (2010–11) and websites were analysed
- V. Technical guide to CSR tools and reporting standards

The transcripts of interviews with eight of the surveyed companies and a synthesis of the guarantees they offer, as well as the main ILO normative texts on social protection and CSR, are available in the digital space dedicated to this publication:

<http://www.social-protection.org/gimi/gess>ShowEditProject.do?pid=1935>

Appendix I: Summary of responses by eight respondent companies

Companies	Current stage		Social security coverage strategic development process		Contingencies covered			
	Current situation	Implementation	Definition of benefits at group level	Progressive harmonization resulting from review	Health	Old age	Maternity	Survivor/disability
AFD	X	X			X	X	X	X
Danone	X	X			X		X	X
Lafarge	X		X (only for risk of survivor)	X (health only)	X	X	X	X
France Télécom - Orange	X			X	X	X	X	X
Sanofi	X			X	X	X	X	X
Total	X	X		X	X	X	X	X
Vallourec	X			X	X	X	X	X
Veolia	X			X	X	X		X

Companies	Benefits			Financing	
	Benefits offered	Type of membership	Level of coverage	of implementation	of social protection coverage
AFD	Health benefits: a range of care including outpatient care, inpatient care, maternity, dental, optical and pharmaceutical. Coverage of up to 80 or 90% of costs depending on the type of care, the remaining 10 to 20% of the cost of care being the beneficiary's responsibility. Survivor and disability benefit: one year's salary.	Compulsory	100% of employees	By headquarters	Health benefit: 100% of the premium is paid by the employer. Old-age and invalidity/survivor benefit: 100% of premiums are paid by the employer.
Danone	Health benefit (Dan'Cares): a range of care including outpatient, hospitalization, maternity and pharmaceutical. Coverage of at least 80% of health costs (the amount remaining as the beneficiary's responsibility must not be more than 20% of overall health costs including basic social security). Survivor and disability benefit: one year's salary.	No information provided (NIP)	Health benefit: level not consolidated Survivor and disability benefit: NIP	Varies among subsidiaries. Acceleration Fund proposed by the Group for the implementation of the Dan'Cares programme (health benefit).	Health benefit: (Dan'Cares): subsidiaries may choose to cover 100% of premiums, but there is no obligation. Invalidity/survivor benefit: NIP
Lafarge	Health benefit: the level of coverage is set locally. Survivor benefit: two years salary (all included).	Compulsory	Health benefit: level not consolidated Survivor benefit: level not consolidated	N.I.P.	Health benefit: In order to educate employees about costs, Lafarge prefers, to the extent possible, that supplementary health insurance be co-financed by the Group and by the employee. Survivor benefit: N.I.P.
France Télécom - Orange	Benefits defined locally.	NIP	Health benefit: NIP Survivor benefit: NIP	NIP	Health, invalidity and survivor benefit: there is no centralized rule, but the premium is often split 60/40% between the employer and employees.
Sanofi	Benefits defined locally.	NIP	Health benefit: level not consolidated Invalidity/death benefit: NIP	Varies among subsidiaries	NIP
Total	Health benefit: a range of care including outpatient care, inpatient care, maternity, pharmaceutical, sick leave and maternity leave. Level of cover defined locally. Survivor benefit: two years' salary.	Compulsory	Health benefit: level not consolidated. Survivor benefit: 92% of employees in 2012.	By subsidiaries. Group support is possible but rare	Health benefit: In order to educate employees about costs, Total prefers, to the extent possible, that supplementary health insurance be co-financed by the Group and by the employee. Invalidity/survivor benefit: NIP
Vallourec	Benefits defined locally.	NIP	Health benefit: NIP Invalidity/survivor benefit: NIP	Varies from country to country.	The share paid by the employer and the employee depends on each subsidiary.
Véolia	Benefits defined locally.	NIP	Health benefit: N.I.P. Invalidity/survivor benefit: N.I.P.	By subsidiaries	Contributions funded by the employer and the employee. Percentage: NIP

Companies	Technical implementation		Group protected	
	Risk carrier	Management	Employees	Families
AFD	Health benefit: internal Disability benefit: internal for 6 months, then an insurer. Survivor benefit: an insurer.	Management of health coverage is delegated to a single insurance broker for all countries.	All employees.	Yes.
Danone	Choice left to the subsidiaries.	Choice left to the subsidiaries.	All employees.	Sometimes (left to the discretion of subsidiaries).
Lafarge	Local insurer/two poolings already in place. Lafarge is its own insurer in some countries.	Insurer or broker most of the time. Lafarge itself when there is no local insurer.	All employees.	Sometimes (most of the time).
France Télécom NIP - Orange		NIP	All employees.	Sometimes (left to the discretion of subsidiaries).
Sanofi	Local insurer.	Local insurer.	All employees.	No.
Total	Local insurer with some pooling. Total is sometimes its own insurer in regions where the insurance market cannot meet the needs of the company.	Insurer or broker most of the time. Total itself when there is no local insurer.	All employees.	Yes.
Vallourec	Local insurer.	Local insurer.	All employees.	Yes.
Véolia	Local insurer.	Local insurer.	All employees.	Sometimes (left to the discretion of subsidiaries).

Appendix II: ILO international instruments on social security and corporate social responsibility

Conventions

- 1952 Social Security (Minimum Standards) Convention (No. 102)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO::P12100_INSTRUMENT_ID:312247
- 1962 Equality of Treatment (Social Security) Convention (No. 118)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312263
- 1964 Employment Injury Benefits Convention (No. 121)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312266
- 1967 Invalidity, Old-Age and Survivors' Benefits Convention (No. 128)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312273
- 1969 Medical Care and Sickness Benefits Convention (No. 130)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312275
- 1982 Maintenance of Social Security Rights Convention (No. 157)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312302
- 1988 Employment Promotion and Protection against Unemployment Convention (No. 168)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312313
- 2000 Maternity Protection Convention (No. 183)
http://www.ilo.org/dyn/normlex/en/f?p=1000:12100:0::NO:12100:P12100_INSTRUMENT_ID:312328

Recommendations

- 1944 Income Security Recommendation (No. 67)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312405:NO
- Medical Care Recommendation (No. 69)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312407:NO
- 2012 Social Protection Floors Recommendation (No. 202)
http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:3065524:NO

Declarations

- 1977, Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (ILO MNE Declaration)
(revised) http://www.ilo.org/public/libdoc/ilo/2006/106B09_303_engl.pdf

For other legal instruments relating to the activities of MNEs, see the ILO MNE Portal:
<http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm>

Appendix III: List of international framework agreements

International framework agreements with provisions relating to social protection

	Global union federation (GUF)	International framework agreement (IFA)	Date and internet link
Danone	IUF (International Union of Food, Farm and Hotel Workers)	Danone/IUF Agreement on health, safety, working conditions and stress	29 September 2011 http://cms.iuf.org/sites/cms.iuf.org/files/058%20Danone%20Agreement-e.pdf
EADS	EADS European Works Committee, EFM and IMF	International Framework Agreement between the European Aeronautic Defense and Space Company and the EADS NV European Works Committee	1 June 2005 http://www.imfmetal.org/files/05071112175266/IFA_EADS_eng.pdf
EDF	ICEM, PSI, IEMO, IFME	Agreement on EDF Group Corporate Social Responsibility	January 2005 and January 2010 http://press.edf.com/fichiers/fckeditor/Commun/RH/Publications/Annee/2009/EDF_Accord_RSE09_va.pdf
GDF Suez	ICEM, BWI, PSI	Global agreement on fundamental rights, social dialogue and sustainable development	16 November 2010 http://www.industrialunion.org/sites/default/files/uploads/documents/GFA/s/GDF-Suez/gdf-gfa-english.pdf
PSA Peugeot Citroën	IMF, EMF	International framework agreement On PSA Peugeot Citroën's social responsibility	April 2006 and 20 May 2010 http://www.imfmetal.org/files/10052511431579/PSAFAEnglish_revisedJune2010.pdf
Rhodia	ICEM	Global Corporate Social Responsibility Agreement between Rhodia & ICEM	January 2005, 25 March 2008 and February 2011 http://www.rhodia.com/en/binaries/ICEM AGREEMENT_17_FEB_2011_EN.pdf

Other IFAs

	GUF	Date and internet link
Ability	UNI Global Union	October 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/1EAA4959248221C9C12578AA00504845/?OpenDocument
Accor	IUF	June 1995 http://www.iuf.org/cgi-bin/dbman/db.cgi?db=default&ww=1&uid=default&ID=163&view_records=1
Adecco	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf
Aker	Fellesforbundet, IMF	October 2008 http://www.imfmetal.org/files/08102913325779/AKER_IFA_english.pdf
Allianz	UNI Global Union	September 2006 http://www.global-unions.org/framework-agreements.html http://www.eurofound.europa.eu/eiro/studies/tn0703019s/tn0703019s_13.htm

	GUF	Date and internet link
AngloGold	ICEM	September 2002 http://www.industrialunion.org/sites/default/files/uploads/documents/GFAs/AngloGold/anglo-ashanti-global_agreement.pdf
Antara	UNI Global Union	May 2010 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/80DE0499FA11F2A9C12578AA004FE623/?OpenDocument
Arcelor	IMF	September 2005 http://www.imfmetal.org/files/0510111500347/IFA_FINAL_EN.pdf
Arcelor-Mittal	IMF, USW (United Steelworkers), EMF	June 2008 http://www.imfmetal.org/files/08060311121679/AgreementArcelorMittalOHS.pdf
AXA	UNI Finance Europe and French labour organizations	June 2009 http://www.cegaxa.com/fileadmin/accord/Accord_CEG_AXA_2009_V6_Final-EN.pdf November 2011 http://www.eurofound.europa.eu/eiro/2011/10/articles/eu1110041i.htm
Ballast Nedam	BWI	March 2002 http://www.bwint.org/default.asp?index=42&Language=EN
Barclays Africa	UNI Global Union	Not found http://www.global-unions.org/framework-agreements,70.html
BMW	IMF	April 2005 http://www.imfmetal.org/files/0505101759457/bmw_ifa_english.pdf
Bosch	IMF	March 2004 http://www.imfmetal.org/files/ifa_bosch_en.pdf
Brunel	IMF	April 2007 http://www.imfmetal.org/files/07070310013766/ifa_brunel_english.pdf
Carrefour	UNI Global Union	May 2001 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/7D79BD715B168933C12578AA0050519D/?OpenDocument
Chiquita	IUF	June 2001 http://www.iufdocuments.org/www/documents/Chiquita-e.pdf
Club Med	UNI Global Union IUF and EFFAT	February 2004 http://www.ewcdb.eu/show_document.php?agreement_ID=9889
DaimlerChrysler	IMF	September 2002 http://www.imfmetal.org/files/DC%20code%20in%20English.pdf
Danske bank	UNI Global Union	September 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/DFEECC8BB7E3CB3AC12578AA00505BDE/?OpenDocument
Elanders	UNI Global Union	January 2009 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/22391411641AC4EFC12578AA0050660C/?OpenDocument
Electrolux	IF Metal, Unionen, IMF, KFD	October 2010 http://www.imfmetal.org/files/11021011074666/Electrolux_IFA_ENGLISH.pdf
Endesa	ICEM	January 2002 http://www.industrialunion.org/sites/default/files/uploads/documents/GFAs/Endesa/endesa-gfa-english.pdf

	GUF	Date and internet link
Eni	ICEM	November 2002 http://www.industrialunion.org/sites/default/files/uploads/documents/GFAs/Eni/eni-gfa-english.pdf
Euradius	UNI Global Union	August 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/25025F096172B5D5C12578AA00507304/?OpenDocument
Faber-Castell	BWI	March 2000 http://www.bwint.org/default.asp?index=45&Language=EN
Falck	UNI Global Union	March 2005 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/73BD22799693ADA9C12578AA00507A3D/?OpenDocument
Fonterra	IUF, New Zealand Dairy Workers Union	April 2002 http://www.iufdocuments.org/www/documents/Fonterra%20agreement-e.pdf
Ford	IMF	April 2012 http://www.global-unions.org/spip.php?action=acceder_document&arg=456&cle=47e8467e4666c4010d0a8e6d30b07639174da7fa&file=pdf%2Fifa_ford-3.pdf
France Telecom	UNI Global Union	December 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/1177286F0040EBF3C12578AA00508109/?OpenDocument
Freudenberg	ICEM	June 2000 http://www.industrialunion.org/sites/default/files/uploads/documents/GFAs/Freudenberg/freudenberg-gfa-english.pdf
G4s	UNI Global Union	December 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/C881952D79023E28C12578AA00508960/?OpenDocument
GEA	IMF	April 2003 http://www.industrialunion.org/sites/default/files/uploads/documents/GFAs/GEA/ifa_gea_en.pdf
H&M	UNI Global Union	14 January 2004 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/5C2843EFEC1D451FC12578AA00509174/?OpenDocument
Hochtief	BWI	March 2000 http://www.bwint.org/default.asp?index=44&Language=EN
ICOMON	UNI Global Union	October 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/0/66B3E8AB911D74E5C12578AA00509CB2/\$file/UNI-ICOMON.pdf
IKEA	BWI	May 1998 http://www.bwint.org/default.asp?index=46&Language=EN
Impregilo	BWI	November 2004 http://www.bwint.org/default.asp?index=82&Language=EN
Indesit (formerly Merloni)	IMF	2001 http://www.imfmetal.org/files/01-177.pdf
INDITEX	IMF	October 2007 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/AD1BC955969

	GUF	Date and internet link
ISS	UNI Global Union	69BD1C12578AA0050A8B1/?OpenDocument June 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/3E1939837F766C41C12578AA0050B203/?OpenDocument
Italcementi	BWI	June 2008 http://www.bwint.org/pdfs/0237_001.pdf
Kelly Services	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf
Lafarge	BWI	September 2005 http://www.bwint.org/default.asp?index=75&Language=EN
Leoni	IMF	April 2003 http://www.imfmetal.org/files/05072214562566/Leoni_IFA_eng_Arial.pdf
Lukoil	ICEM	May 2004, October 2012 http://mopo.lukoil.com/main/static.asp?art_id=1725 http://www.industriall-union.org/industriall-renews-gfa-with-lukoil
MAN SE	IMF	July 2012 http://www.imfmetal.org/files/12030712003379/international-rahmenvereinbarung-man-endfassung.pdf
Manpower	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf
Merloni		See Above Indesit
Metro	UNI Global Union	May 2007 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/D94EFA0AD6B4EC24C12578AA0050BB1B/?OpenDocument
Mizuno	UNI Global Union	November 2011 http://www.industriall-union.org/sites/default/files/uploads/documents/GFAs/Mizuno/mizuno-gfa-english.pdf
NAG (National Australia Group)	UNI Global Union	December 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/1202AD291216EB50C12578AA0050C302/?OpenDocument
Nampak	UNI Global Union	May 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/1A5A59E947CEAD83C12578AA0050D11F/?OpenDocument
Nordea	UNI Global Union	Not found http://www.global-unions.org/framework-agreements.html?lang=en
Norsk Hydro	ICEM/ IMF	March 2011 http://www.industriall-union.org/sites/default/files/uploads/documents/GFAs/NorskHydro/norsk-hydro-gfa-english.pdf
Norske Skog	ICEM	June 2002 http://www.industriall-union.org/sites/default/files/uploads/documents/GFAs/NorskeSkog/norsk-e-skog-gfa-en.pdf
Olympia Flexgroup	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf

	GUF	Date and internet link
OTE	UNI Global Union	June 2001 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/CB7F233BD5347DEDC12578AA0050DBB3/?OpenDocument
PETROBRAS	ICEM	November 2011 http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/Petrobras/petros_gfa_text_english.pdf
Pfleiderer	BWI	November 2010 http://www.bwint.org/pdfs/PfleidererFA.EN.pdf
Portugal Telecom	UNI Global Union	January 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/A65A3517F7F68C1FC12578AA0050E83B/?OpenDocument
Prym	IMF	July 2004 http://www.imfmetal.org/files/prym_ifa_eng.pdf
Quebecor (now World Color Press)	UNI Global Union	May 2007 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/3085A1E6EEAF2C87C12578AA0050F1A4/?OpenDocument
RAG (now Evonik)	ICEM	August 2003 http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/Evonik/evonic-gfa-english.pdf
Randstad Holding	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf
Renault	IMF	October 2004 http://www.imfmetal.org/files/ifa_renault_en.pdf
Rheinmetall AG	IMF	October 2003 http://www.imfmetal.org/files/ifa_rheinmetall_english.pdf
Röchling	IMF	November 2004 http://www.imfmetal.org/files/0508151616477/ifa_roehling_eng.pdf
Royal BAM	BWI	April 2006 http://www.bwint.org/default.asp?index=109&Language=EN
Saint-Gobain		May 2008 http://www.ewcdb.eu/show_agreement.php?agreement_ID=1465
SCA	ICEM	April 2004 http://www.industrial-union.org/sites/default/files/uploads/documents/GFAs/SCA/sca-gfa-eng.pdf
Securitas	UNI Global Union	March 2006 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/FC478C05DC5B5A40C12578AA0050FF34/?OpenDocument
Sophrite Checkers	UNI Global Union	January 2010 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/7230A65EAADFBE97C12578AA00501782/?OpenDocument
Skandia	UNI Global Union	Not found http://www.global-unions.org/framework-agreements,70.html
Skanska	BWI	February 2001 http://www.bwint.org/default.asp?index=43&Language=EN

	GUF	Date and internet link
SKF	IMF	1st November 2003 http://www.imfmetal.org/files/ifa_skf_eng.pdf
Sodexo	IUF	December 2011 http://cms.iuf.org/?q=node/1286
Stabilo	BWI	September 2005 http://www.bwint.org/default.asp?index=76&Language=EN
Staedtler	BWI	November 2006 http://www.bwint.org/default.asp?index=464&Language=EN
Statoil	ICEM	December 2012 (1st agreement: 1998) http://www.industriall-union.org/sites/default/files/uploads/documents/GFAs/Statoil/statoil_gfa_dec2012.pdf
Systema Televisyen Malaysia Berhad	TV3, UNI Global Union	March 2010 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/53B8A5BC4C36C494C12578AA004FEBF4/?OpenDocument
Telecommunicacoes Ltda	UNI Global Union	March 2009 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/D7D5216B73EA1699C12578AA00503CD8/?OpenDocument
Takashimaya	UNI Global Union	November 2008 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/1CF9FB38D46AF3B6C12578AA00512AB4/?OpenDocument
Telefonica	UNI Global Union	March 2001 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/2D1CB546A571CB17C12578AA00513D5/?OpenDocument
Telkom Indonesia	UNI Global Union	September 2010 http://www.ewcdb.eu/show_document.php?agreement_ID=9378
Umicore	IMF	September 2007 http://www.imfmetal.org/files/07092816390779/Umicore_agreement_E.pdf
UPU	UNI Global Union	October 2005 http://place.uniglobalunion.org/LotusQuickr/pub/PageLibraryC1257824003A7C09.nsf/h_C584938BF113738FC12578AA004FD1D8/609319F05426C825C12578AA005151B6/?OpenDocument
USG People	UNI Global Union	November 2008 http://www.ciett.org/fileadmin/templates/ciett/docs/Press_release_UNI_Ciett_CMC_on_MoU_12-11-08.pdf
Vallourec	IMF	April 2008 http://www.imfmetal.org/files/08042417265566/Vallourec-Mannesmann-IFA-engl.pdf
Veidekke	BWI	March 2005 http://www.bwint.org/default.asp?index=49&Language=EN
Volker Vessels	BWI	January 2007 http://www.bwint.org/default.asp?index=572&Language=EN
WAZ	International Federation of Journalists/ European Federation of Journalists	July 2007 http://www.ifj.org/en/articles/framework-agreement-between-waz-and-efifif
Volkswagen	IMF	June 2002 http://www.imfmetal.org/files/Sozialcharta_eng3l.pdf
Wilkhahn	BWI	February 2009 http://www.bwint.org/default.asp?index=2195&Language=EN

Appendix IV: List of companies whose CSR reports, annual reports, reference documents (2010–11) and websites were analysed

S&P 100

3M Company	Deutsche Telekom AG
ABN Amro Holding NV	Diageo
Aegon NV	Dow Chemical
Rio Tinto (Alcan Rio Tinto)	Du Pont (E.I.)
Alcatel SA - A Shares (Alcatel- Lucent)	E.On AG
Allianz AG	EMC Corp.
Altria Group, Inc.	Ericsson LM AB - B Shares
American International Group	Exxon Mobil Corp.
Assicurazioni Generali SpA	Ford Motor Company
AstraZeneca	France Telecom - Orange
AXA	Fuji Photo Film Co.
Banco Bilbao Vizcaya Argentaria, S.A.	General Electric
Banco Santander, S.A.	General Motors
Barclays	Glaxo Smith Kline plc
BASF AG	Hewlett-Packard
Bayer AG	Hitachi
BHP Billiton Limited	Honda Motor Corp.
BNP Paribas SA	HSBC Holdings plc
BP plc	ING Groep NV
Bridgestone Group	Intel Corp.
Canon Inc.	International Business Machines
Carrefour	Johnson & Johnson
Chevron Corp.	JPMorgan Chase & Co.
Citigroup Inc.	Kimberly-Clark Corp.
Coca Cola Co.	Koninklijke (Royal) Philips Electronics NV
Colgate-Palmolive	L'Oreal SA
Credit Suisse Group	Lucent Technologies
DaimlerChrysler AG	LVMH Moet Hennessy Louis Vuitton
Dell Inc.	Matsushita Electric Industrial
Deutsche Bank AG	McDonald's Corp.

Merck & Co.	Siemens AG
Microsoft Corp.	Sony Corp.
Morgan Stanley	Standard Chartered
Nestle SA	Suez SA
News Corporation	Swiss Re
NIKE Inc.	Telefonica, S.A.
Nissan Motor Co.	Texas Instruments
Nokia Oyj	Time Warner Inc.
Nortel Networks Corp.	Toshiba Corp.
Novartis AG	Total SA
PepsiCo Inc.	Toyota Motor Corp
Pfizer, Inc.	Tyco International
Procter & Gamble	UBS AG
Repsol YPF, S.A.	Unilever NV
Reuters Group	United Technologies
Royal Dutch Shell - A shares	Vivendi Universal SA
Samsung Electronics Company Limited	Vodafone Group PLC
Sanofi-Aventis	Volkswagen AG
Seven & I Holdings Co Ltd	Wal-Mart Stores

CAC 40

Accor	L'Oréal
Air Liquide	Lafarge SA
Alcatel-Lucent	Legrand
Alstom	LVMH
Arcelor-Mittal	Michelin
AXA	Pernod-Ricard
BNP Paribas	Peugeot
Bouygues	PPR
Cap Gemini	Publicis Groupe
Carrefour	Renault
Crédit agricole	Safran
Danone	Saint-Gobain
EADS	Sanofi
EDF	Schneider Electric
Essilor International	Société Générale
France Télécom	STMicroelectronics
GDF Suez	Technip

Total	Veolia Environnement
Unibail-Rodamco	Vinci
Vallourec	Vivendi

Other companies

Anglo American	South Africa
Cemex	Mexico
China Shenhua Energy	China
Gerdau Steel	Mexico
Grupo Mexico	Mexico
KGHM Polska Miedz SA	Poland
Koç	Turkey
Lukoil	Russian Federation
Magnesita Refratários	Brazil
Norilsk Nickel	Russian Federation
Petronas	Malaysia
PTT Group Petroleum Authority of Thailand	Thailand
Sabic	Saudi Arabia
SABMiller	South Africa
Sappi	South Africa
Sasol	South Africa
Sinohydro	China
Tata Group	India
TCL	China
Thai Union Frozen Products	Thailand
Vale	Brazil
Vedanta Resources	India
Wilmar International	Indonesia/ Malaysia

Appendix V: Technical guide to CSR tools and reporting standards

Global Reporting Initiative (GRI)

As employers, companies must comply with labour and social security laws and ensure payment of contributions relating to social insurance for their employees. In many countries, labour and social security laws include a legal obligation to pay wages during periods of illness or pregnancy and in the event of accidents. Some companies also offer supplementary protection (health, death, disability and retirement benefits, etc.) and services (on-site medical facilities, child care, etc.) to their employees, their families and even the wider community (see below for the presentation of the LA3 indicator in the GRI protocol).

Other indicators may be linked to social protection, but being international standards, most of them give little information on actual levels of coverage:

- Maternity and parental leave: LA15 indicator (“Return to work and retention rates after parental leave, by gender”).
- Sustainability of retirement plans proposed by the company: EC3 indicator (“Coverage of the organization’s defined benefit plan obligations”).
- The value of services and infrastructure investments relating to social protection: EC8 indicator (“Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement”).
- EC1 indicator (“Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments”) includes the value of the contribution to social security paid on behalf of employees and contributions to occupational pension schemes, such as private retirement medical insurance plans and investments in infrastructure for local communities.

Workplace health and safety are highly regulated in many countries. It is a related topic to that of social protection. Many companies engaged in a process of extending social security coverage for all their employees have a strong culture of prevention of health and safety hazards at work, which serves as a basis for going further.

The GRI indicators relating to this issue can also account for corporate health programmes, such as basic indicators LA7 (“Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender”) and LA8 (“Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases”). This relates to training issues, but it has the particularity of extending the potential targets of training programs beyond employees.

In addition, indicators LA6 (“Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs”) and LA9 (“Health and safety topics covered in formal agreements with trade unions”) can account for social dialogue on the subjects of health and safety at work and the involvement of staff representatives by the company.

The GRI LA3 indicator¹

LA3: Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

1. Relevance

Data reported under this Indicator provides a measure of the organization's investment in human resources and the minimum benefits it offers its full-time employees. The quality of benefits for full-time staff is a key factor in retaining employees. The Indicator also offers an indication of the relative investment in different parts of the workforce.

2. Compilation

- Identify benefits offered to all employees.

Report which of the following benefits are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by major operations:

- Life insurance;
- Health care;
- Disability/invalidity coverage;
- Maternity/paternity leave;
- Retirement provision;
- Stock ownership; and
- Others.

Standard benefits refer to those typically offered to at least the majority of full-time employees. This should not be interpreted as being offered to every single full-time employee of the organization. .

The intention of the Indicator is to disclose what full-time employees can reasonably expect.

3. Definitions

Benefits

This refers to either direct benefit provided in the form of financial contributions, care paid for by the reporting organization, or the reimbursement of expenses borne by the employee. Redundancy payments over and above legal minimums, lay-off pay, extra employment injury benefit, survivors' benefits, and extra paid holiday entitlements could also be included under this Indicator. In-kind benefits such as provision of sports or child

¹ Excerpt from Global Reporting Initiative: *Sustainability Reporting Guidelines*, Version 3.1 (Amsterdam, 2000–2011). Available at: <https://www.globalreporting.org/Pages/default.aspx>.

day care facilities, free meals during working time, and similar general employee welfare programs are excluded from this Indicator.

4. Documentation

Potential sources of information include local or central collective agreements, which may provide examples of benefits paid beyond legal minimums. Other reference tools may include benefits summaries, employee orientation/commencement materials, and employee contracts.

5. References

- ILO Convention 102, ‘Social Security (Minimum Standards) Convention’, 1952.
- ILO Convention 121, ‘Employment Injury Benefits Convention’, 1964.
- ILO Convention 128, ‘Invalidity, Old-Age and Survivors’ Benefits Convention’, 1967.
- ILO Convention 130, ‘Medical Care and Sickness Benefits Convention’, 1969.
- ILO Convention 132, ‘Holidays with Pay Convention (Revised)’ 1970.
- ILO Convention 140, ‘Paid Educational Leave Convention’, 1974.
- ILO Convention 156, ‘Workers with Family Responsibilities Convention’, 1981.
- ILO Convention 157, ‘Maintenance of Social Security Rights’, 1982.
- ILO Convention 168, ‘Employment Promotion and Protection against Unemployment Convention’, 1988.
- ILO Convention 183, ‘Maternity Protection Convention’, 2000.
- OECD Guidelines for Multinational Enterprises, Revision 2000.

ISO 26000

Launched in 2010, ISO 26000 is an ISO standard for corporate social responsibility. It contains guidelines, not requirements. It has not been prepared with the aim of being certifiable, unlike most known ISO standards (such as ISO 9001 and ISO 14001). Instead, it provides guidance for corporate action implemented by both public and private organizations to enjoy the benefits of responsible action at the societal level.²

ISO 26000 identifies seven core subjects of social responsibility:

² See <http://www.iso.org/iso/home/standards/iso26000.htm?=>.

Social responsibility: 7 core subjects



* Note: The figures refer to the corresponding clauses of ISO 26000.

The core subject “Labour practices” refers specifically to the social protection of employees (sub-section 2).

Having defined social protection as “all legal guarantees and organizational policies and practices to mitigate the reduction or loss of income in case of employment injury, illness, maternity, parenthood, old age, unemployment, disability or any other financial hardship, and to provide medical care and family benefit”, ISO 26000 describes the action expected of companies.³

Other core issues under ISO 26000 relate to the notion of the Social Protection Floor (SPF).

³ Respect for national legislation and international labour standards elaborated by the ILO is a primary responsibility for companies.

For example, the phrase “human rights”, referring to economic and social rights (section 7), may include certain key elements of the concept, depending on the activities of the companies involved.

The same is true of core issue “Community involvement and development”, sub-section 6 of which focuses on the social responsibility of companies involved in the health of communities and the territories in which they operate.

There is currently not enough data to analyse the effects of ISO 26000, its consequences and the possible evolution towards a certification process.

French regulations on CSR reporting

Section 225 of the Grenelle 2 Law (12 July 2010)⁴ and its implementing decree (24 April 2012), amended the French regulations on CSR reporting.

Companies are now required to reply on 32 governance, environmental and social indicators and entrust verification of the sincerity of their information to a third party.

The Grenelle 2 Law’s promulgation decree requires the company’s indicators to provide employment-related social information, on “pay levels and their evolution...” (L 225-102-1 of the Commercial Code) including social deductions.

Companies become affected by the Law at different dates depending on whether they are listed in France, as well as on their size and turnover.

By 2012, companies listed on the French stock exchange, including subsidiaries of foreign listed companies and unlisted companies having more than 5,000 employees and turnover of more than EUR one billion, were obliged to account for their CSR commitments as provided under the Grenelle 2 Law.

In 2013, unlisted companies with turnover of more than EUR 400 million and a workforce of over 2,000 employees will also be affected and, in 2014, the Law will impact all companies with turnover over EUR 100 million and more than 500 employees.

⁴ Link [only in French]:

http://www.legifrance.gouv.fr/affichCodeArticle.do;jsessionid=602A2FFDE4E963F4A01E2F3ED2DBF4A0.tpdjo17v_1?cidTexte=LEGITEXT000005634379&idArticle=LEGIARTI000006224809&dateTexte=20121204&categorieLien=cid#LEGIARTI000006224809.

Glossary

Wherever possible, existing ILO definitions were chosen for this glossary. Where they did not exist, definitions were sought from other international organizations, or failing that, in relevant academic writings. If none of these sources proposed definitions, these were selected from websites providing information on specific topics or from corporate websites.

Social Protection Floor (SPF)

The ILO Social Protection Floors Recommendation, 2012 (No. 202), provides the following definition of social protection floors:

Members should, in accordance with national circumstances, establish as quickly as possible and maintain their social protection floors comprising basic social security guarantees. The guarantees should ensure at a minimum that, over the life cycle, all in need have access to essential health care and to basic income security which together secure effective access to goods and services defined as necessary at the national level.

The social protection floors referred to in Paragraph 4 should comprise at least the following basic social security guarantees:

- (a) access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
- (b) basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
- (c) basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
- (d) basic income security, at least at a nationally defined minimum level, for older persons.

[Paragraphs 4 and 5 of Recommendation No. 202]

ILO Social Security (Minimum Standards) Convention, 1952 (No. 102)

ILO Convention No. 102 provides a clear definition of the nine categories of contingency to which social security provides an answer:

Part II. Medical Care

The contingencies covered shall include any morbid condition, whatever its cause, and pregnancy and confinement and their consequences.

The benefit shall include at least:

- (a) in case of a morbid condition:

-
- (i) general practitioner care, including domiciliary visiting;
 - (ii) specialist care at hospitals for inpatients and outpatients, and such specialist care as may be available outside hospitals;
 - (iii) the essential pharmaceutical supplies as prescribed by medical or other qualified practitioners; and
 - (iv) hospitalisation where necessary; and
- (b) in case of pregnancy and confinement and their consequences--
 - (i) pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and
 - (ii) hospitalisation where necessary.

[Articles 8 and 10 of Convention No. 102]

Part III. Sickness Benefit

The contingency covered shall include incapacity for work resulting from a morbid condition and involving suspension of earnings, as defined by national laws or regulations.
(...) The benefit shall be a periodical payment.

[Articles 14 and 16 of Convention No. 102]

Part IV. Unemployment Benefit

The contingency covered shall include suspension of earnings – as defined by national legislation – due to the inability to obtain suitable employment in the case of a protected person who is able to work and available for job. (...) The benefit shall be a periodical payment.

[Article 20 of Convention No. 102]

Part V. Old-age Benefit

The contingency covered shall be survival beyond a prescribed age. The prescribed age shall be not more than 65 years or such higher age as may be fixed by the competent authority with due regard to the working ability of elderly persons in the country concerned.

National laws or regulations may provide that the benefit of a person otherwise entitled to it may be suspended if such person is engaged in any prescribed gainful activity or that the benefit, if contributory, may be reduced where the earnings of the beneficiary exceed a prescribed amount and, if non-contributory, may be reduced where the earnings of the beneficiary or his other means or the two taken together exceed a prescribed amount.
(...) The benefit shall be a periodical payment.

[Article 26 of Convention No. 102]

Part VI. Employment Injury Benefit

(...) The provision of employment injury benefit (...). The contingencies covered shall include the following where due to accident or a prescribed disease resulting from employment:

-
- (a) a morbid condition;
 - (b) incapacity for work resulting from such a condition and involving suspension of earnings, as defined by national laws or regulations;
 - (c) total loss of earning capacity or partial loss thereof in excess of a prescribed degree, likely to be permanent, or corresponding loss of faculty; and
 - (d) the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support.

In respect of a morbid condition, the benefit shall be medical care (medical practitioners, dental care, hospital treatment...)."

[Articles 31, 32 and 34 of Convention No. 102]

Part VII. Family Benefit

The contingency covered shall be responsibility for the maintenance of children as prescribed. (...) The benefit shall be:

- (a) a periodical payment granted to any person protected having completed the prescribed qualifying period; or
- (b) the provision to or in respect of children, of food, clothing, housing, holidays or domestic help; or
- (c) a combination of (a) and (b).

[Articles 40 and 42 of Convention No. 102]

Part VIII. Maternity Benefit

The contingencies covered shall include pregnancy and confinement and their consequences, and suspension of earnings, as defined by national laws or regulations, resulting therefrom. In respect of pregnancy and confinement and their consequences, the medical care shall include at least –

- (a) pre-natal, confinement and post-natal care either by medical practitioners or by qualified midwives; and
- (b) hospitalisation where necessary.

The medical care shall be afforded with a view to maintaining, restoring or improving the health of the woman protected and her ability to work and to attend to her personal needs. In respect of suspension of earnings resulting from pregnancy and from confinement and their consequences, the benefit shall be a periodical payment.

[Articles 47, 49 and 50 of Convention No. 102]

Part XIX. Invalidity Benefit

The contingency covered shall include inability to engage in any gainful activity, to an extent prescribed, which inability is likely to be permanent or persists after the exhaustion of sickness benefit. (...) The benefit shall be a periodical payment.

[Articles 54 and 46 of Convention No. 102]

Part X. Survivor's Benefit (Life Insurance)

The contingency covered shall include the loss of support suffered by the widow or child as the result of the death of the breadwinner; in the case of a widow, the right to benefit may be made conditional on her being presumed, in accordance with national laws or regulations, to be incapable of self-support. (...) The benefit shall be a periodical payment.

[Articles 60 and 62 of Convention No. 102]

Business unit (strategic business unit – SBU)

Corporate organizational unit built up around a single area of activity or profit centre. An SBU is managed independently with its own goals and own resources.

[Translated from J. Lendrevie, J. Levy and D. Lindon: *Mercator, théories et nouvelles pratiques du marketing* [Mercator, new theories and practices of marketing] (Dunod, 10th ed., 2012, p. 680)]

Corporate social responsibility (CSR)

A way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors.

[ILO Helpdesk, Multinational Enterprises Programme]

Corporate social responsibility (CSR) may also be understood as defined in ISO Standard 26000, or under the European Commission's definition:

The Commission puts forward a new definition of CSR as “the responsibility of enterprises for their impacts on society”. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility. To fully meet their corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- identifying, preventing and mitigating their possible adverse impacts.

[European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: *A renewed EU strategy 2011–14 for Corporate Social Responsibility*, COM (2011) 681 25 October 2011 (Brussels), section 3.1, p.6.]

Deferred compensation

The term “wages” means remuneration or earnings which are payable in virtue of a written or unwritten contract of employment by an employer to an employed person. A

deferred wage is compensation paid at a later date. The most common form of “deferred compensation” is the retirement pension.

[See Article 1 of the Protection of Wages Convention, 1949 (No. 95); and www.answers.com/topic/deferred-compensation, Investopedia]

Employer brand

“Employer brand” is a term used to describe the range of issues involved in corporate image targeting employees or potential employees.

Employer branding is normally under the responsibility of the human resources management and communication services. The objective is to make the brand attractive as a potential employer.

[From <http://www.definitions-marketing.com/Definition-Marque-employeur>]

Group insurance

An insurance contract concluded between private insurer and a group of beneficiaries, such as the employees of an enterprise or the members of an association, cooperative, trade union, etc. Such contracts usually provide insurance coverage in the following areas: health care, retirement pensions, temporary or permanent disability, and death of the breadwinner.

[ILO: *Health micro-insurance schemes: Feasibility study guide*. Volume 2: Tools (Geneva, STEP Programme, 2005)]

Healthcare provider

A person or a health facility that provides health care to a patient. Examples include doctors, pharmacists, surgeons, midwives, nurses, health centres, hospitals, etc.

[ILO: *Health micro-insurance schemes: Feasibility study guide*. Volume 2: Tools (Geneva, STEP Programme, 2005)]

Inpatient Care insurance

Individual or collective supplemental health insurance contract for the payment of benefits in case of hospitalization of the insured person or as a result of illness, accident or any other cause provided for under the contract. Benefits may be paid in cash or in kind.

[Translated from J. Landel: *Lexique des termes d'assurance* [Glossary of Insurance Terms] (L'Argus editions, 6th ed., 2010, p. 273)]

Insurance

A mechanism intended to provide coverage against the financial consequences of prescribed uncertain events, by spreading the anticipated costs resulting from the occurrence of those events – also known as risks – among several persons. (...) The premiums paid by insured persons are pooled together and used to cover the expenses of exclusively those persons affected by the occurrence of a certain number of clearly defined risks. In exchange for the payment of premiums, insured persons obtain the insurer's guarantee to provide this financial compensation.

Median wage

The wage level at which half of the population concerned earns less and half earns more. This differs from the average wage, which is an average of the total wages earned by the population concerned.

[Translated from the website of the French National Institute of Statistics and Economic Studies (*Institut national de la statistique et des études économiques*), at <http://www.insee.fr/fr/methodes/default.asp?page=definitions/salaire-median.htm>.]

Outpatient care

Outpatient care comprises medical and ancillary services delivered to a patient who is not formally admitted to a facility (private medical practice, hospital outpatient service or ambulatory care centre) and does not stay overnight. An outpatient is thus a person who goes to a healthcare facility for a consultation or treatment, and who leaves the facility within hours of the start of the consultation without being admitted to the facility as a patient.

[OECD: *A system of health accounts* (Paris, 2000), p. 125]

Pooling

A method for international sharing of insurance risk. The insurance companies that are members of a pooling network offer their clients (companies) the opportunity to consolidate their social protection contracts for health, retirement and pension benefits in a single financial account through a multinational programme linking each company to the network.

[Translated from Gan Eurocourtage: *Projets courtage*, No. 85 (April 2011), pp. 20, 22]

Site facilities

Site facilities include all services necessary for the community life of people gathered for professional reasons on an inaccessible site. They are limited in time, related to a specific project and must be located near the workplace or integrated in it in the case of offshore platforms. These sites are often characterized by extreme conditions: high seas, deserts, mountains, polar regions or tropical forests.

[Translated from <http://www.melchior.fr/Les-bases-vie.5357.0.html>]

Social protection

The term social protection is often interpreted as having a broader character than social security (including, in particular, protection provided between members of the family or members of a local community), but it is also used in some contexts with a narrower meaning (understood as comprising only measures addressed to the poorest, most vulnerable or excluded members of society). Thus, in many contexts the terminology “social security” and “social protection” may be largely interchangeable ... “social

protection” [may be seen] as “protection” provided by social security in case of social risks and needs.

[ILO: *World Social Security Report 2010/11* (Geneva, 2010) p.13]

Social protection coverage

In each category of social protection benefits, coverage is a multidimensional concept with at least three elements:

Scope. This is measured here by the range (number) and type of social security branches (...) to which the population of the country has access. (...)

Extent. This usually refers to the percentage of persons covered (by gender, age, labour market status) within the whole population or the target group, by social security measures in each specific branch.

Level. This refers to the adequacy of coverage by a specific branch of social security (...) The level of coverage can also be measured by the quality of services provided.

[ILO: *World Social Security Report 2010/11* (Geneva, 2010) p. 22]

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2009. *La responsabilité sociétale des entreprises: un levier de transformation du dialogue social* [Corporate social responsibility: A lever for the transformation of social dialogue] (Paris).

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International and national references to standards

United Nations Office of the High Commissioner for Human Rights: International Covenant on Economic, Social and Cultural Rights, adopted and opened for signature, ratification and accession by the UN General Assembly by resolution 2200 A (XXI), 16 December 1966.

See: <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>.

ILO international standards

The ILO standards referred to in this study are listed in Appendix II.

French law

Law on New Economic Regulations (NRE) (Loi n° 2001-420, mai 2001 relatives aux nouvelles régulations économiques).

See: <http://www.assemblee-nationale.fr/11/dossiers/regul.asp>.

Grenelle 2 Law (Loi n° 2010-788 du 12 juillet 2010 portant engagement national pour l'environnement).

See: <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000022470434>.

Websites

ILO web links on corporate social responsibility

<http://www.social-protection.org/gimi/gess>ShowTheme.do?tid=3445>

<http://www.ilo.org/empent/areas/business-helpdesk/lang--en/index.htm>

http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_116336.pdf

ILO web links on social protection

<http://www.social-protection.org>

<http://www.ilo.org/dyn/normlex/en/f?p=1000:1:0::NO:::>

ILO links to key performance indicators for social protection coverage

<http://www.social-protection.org/gimi/gess>ShowWiki.do?wid=95>

Global Reporting Initiative

<https://www.globalreporting.org/languages/Pages/default.aspx>

International Organization for Standardization (ISO)

<http://www.iso.org/iso/home/standards/iso26000.htm?=>

Other references

Sustainable procurement reporting by major international groups: Analysis of the external communication of 125 Asian, American and European companies from the Global 500, November 2010.

See: <http://www.ecovadis.com/website/l-en/webinars-whitepapers.EcoVadis-13.aspx>

Glossary definitions

<http://www.insee.fr/fr/methodes/default.asp?page=definitions/salaire-median.htm>

<http://www.melchior.fr/Les-bases-vie.5357.0.html>

<http://www.definitions-marketing.com/Definition-Marque-employeur>

www.answers.com/topic/deferred-compensation, *Investopedia*

Websites of the companies mentioned in the study

Accor	http://www.accor.com/en.html
AFD	http://www.afd.fr/lang/en/home
Air-France KLM	http://www.airfranceklm-finance.com/en
Areva	http://www.areva.com/
BNP Paribas	http://www.bnpparibas.com/en
Carrefour	http://www.carrefour.com
Colas	http://www.colas.com/en-950096.html
Danone	http://www.danone.com/?lang=en
EADS	http://www.eads.com/eads/int/en.html
EDF	http://www.edf.com/the-edf-group-42667.html
GDF Suez	http://www.gdfsuez.com/en/
Havas	http://www.havas.fr/havas-dyn/en/
Lafarge	http://www.lafarge.com
Mercer	http://www.mercer.fr/home
France Télécom - Orange	http://www.orange.com/en/home
L'Oréal	http://www.loreal.com/_en/_ww/index.aspx
PSA Peugeot Citroën	http://www.psa-peugeot-citroen.com/en
Renault	http://www.renault.com/en/groupe/pages/groupe.aspx
Rhodia	http://www.rhodia.com/
Sanofi	http://www.sanofi.com/
Schneider Electric	http://www.schneider-electric.com/site/home/index.cfm/ww/
Total	http://www.total.com/en/page-404-922855.html
Vallourec	http://www.vallourec.com/en/
Veolia Environnement	http://www.veolia.com/en/