

### **Recommendations to Business**

The business sector should acknowledge that private companies are social actors and hence have obligations under international law. Companies could do a lot to build public trust by admitting their own fallibility and redressing problems once they have arisen. In particular, businesses were encouraged to foster relations with NGO's and community organizations, especially local ones.

Businesses must improve openness and transparency. Codes of conduct need to be included and used in terms of the creation and implementation of management systems. Corporate commitments to social responsibility are only credible where their implementation can be measured and verified by independent outside groups. Social reporting has to mean more than a mere internal survey of a firm's practices. Social performance data should be publicly available and the information contained in these social reports must be subjected to rigorous and independent assessment. There was agreement that a dialogue needs to be opened with accounting professionals on these issues, especially in terms of their incorporation into training and accreditation.

A strong view was expressed that social responsibility and social reporting considerations should be extended to the investor community. Market analysts tend to be unaware of corporate social responsibility issues. Although there is academic research suggesting a strong connection between corporate social responsibility practices and improved revenues, the correlation with stock price has been difficult to establish. It was suggested that companies should ensure social reporting is prominent in annual reports and in investor relations packages. The example of Britain was also mentioned, where pension funds have been required to report on broader range of issues, including social responsibility. In general, banks were identified as a key intermediary in the effort to promote CSR. If banks were to demand social reporting initiatives they could exert a wide influence through their client networks.

Socially responsible businesses have to be more vocal in advocating good corporate citizenship. There is a need for good business case studies that demonstrate the competitive advantage of doing the right thing. Industry associations are often perceived as expressing lowest common denominator thinking. Leading businesses have to get more engaged in strategies to raise awareness and promote CSR within their industries. This is especially important in terms of developing and implementing standards. The Global Mining Initiative was mentioned as an example where this was happening, and the 'Responsible Care' program within the chemical industry was cited as a good model because it involves monitoring by local communities. Another model mentioned was business rewarding business through awards programs like 'Ethics in Action'.

### **Recommendations to NGOs**

NGOs play an important role in gathering and disseminating credible information on issues, companies, and countries. NGOs might consider new audiences for this information. Business representatives noted that the talent market is an area where a reputation for corporate social responsibility is seen as a competitive asset. NGOs could target information campaigns on job seekers, especially in the high tech sector.