15. Social corporate responsibility and FADN

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**Social Corporate Responsibility - History**

- **Milton Friedmann (1972):**
  
  “The social responsibility of business is to increase its profit” …
  
  “As long as it stays within the rules of the games”

- **World Commission on Environment and Development (Commission Brundtland, 1987): “Our common future”**
  - Harmony between people, and between people and nature
    
    Definition: Satisfy needs of the current generation without threatening the possibilities for future generations to satisfy their needs”

- **Bodyshop (1995):**
  
  “To dedicate our business to the pursuit of social and environmental change”

- **OECD: Guidelines for multinational enterprises**
SCR-definition

SER (the Netherlands):
- Create value for society

Dutch government:
- Do more than laid down in the law

Possible interpretations of SCR:

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

People, Planet, Profit

ecology  dynamic balance  economy

Norms and values in technology and society
Optimize 3 P's

- Licence to produce
- Norms and values in technology and society
- Economy
- Ecology
- Perception norms and values
- Ethical aspects
- Profit
- People
- Planet
Social Corporate Performance

Wood:

- Motives, principles
- Processes and policies
- Impact

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

SCP in practice

Selection for ethical investment funds (listed stocks):

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

Agriculture:

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

Agricultural themes:

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

Lei (2002):
- Questionnaire for measuring sustainability of project proposals
- SCP benchmark study for Dairy Industry

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

SCP and FADN

- EC environmental indicators
  EU-FADN can be used for 4 out of 35 indicators

- LEI Ecological indicator (environment and nature/landscape)
  Dutch FADN can be used for about 2/3 of indicators

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

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