

ecoDa

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Confédération Européenne des Associations d'Administrateurs
European Confederation of Directors' Associations

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PRESS RELEASE

Corporate Social Responsibility and Corporate Governance

Initiative report on "Corporate Social Responsibility: a new partnership", European Parliament, Committee on Employment and Social Affairs,
Rapporteur: Richard Howitt¹

ecoDa welcomes the initiative taken by the Committee on Employment and Social Affairs of the European Parliament on "Corporate Social Responsibility: a new partnership".

ecoDa's Chairman, Pierre Klees, supports article 24 of the Report stating "*that the CSR debate must not be separated from questions of corporate accountability, and that issues of the social and environmental impact of business, relations with stakeholders, the protection of minority shareholders' rights and the duties of company directors in this regard should be fully integrated in the Commission's Corporate Governance Action Plan*".

ecoDa believes that acting in the interests of stakeholders is a part of directors' duties. National legislation like the recent Companies Act 2006 in the United Kingdom and national codes of Corporate Governance are increasingly urging directors to pay regard to the longer term success of the company. Taking into account the interests of stakeholders is a factor in this. The request for directors to move from a short-term to a long-term approach will improve the quality of corporate governance and should be expected to have a beneficial impact on the confidence in capital markets.

ecoDa is currently examining to what extent CSR could be linked to Corporate Governance and how directors should deal with it.

ecoDa is not in favour of a regulatory approach as this tends to provide for minimum standards to be applied, rather than to encourage increasing levels of good practice. As long as CSR is clearly defined and concerns the companies' missions, ecoDa is convinced that boards of directors have a key role to play through influencing and forming value preferences, which will consequently result in translating CSR values into practice.

¹ http://www.europarl.europa.eu/meetdocs/2004_2009/documents/pr/638/638043/638043en.pdf

Notes for editors

The European Confederation of Directors' Associations (ecoDa) is representing the views of its eight members the *Association Belge des administrateurs* (AB), the *Institut Français des Administrateurs* (IFA), the *Institute of Directors* (IoD), the *Institut Luxembourgeois des Administrateurs* (ILA), the *Finnish Association of Professional Board Members* (Hallitusammattilaiset ry), the *Instituto de Consejeros – Administradores* (IC-A), the *Czech Institute of Directors* (CioD) and the *Slovenian Association of Supervisory Board Members* on Corporate Governance and Company Law issues.

The conference organised by ecoDa on “CSR and CG: the role of directors” is scheduled for 17 April 2007.

Prof. Ir. Pierre Klees, Chairman of ecoDa is also Chairman of the Belgian Association of Directors (AB), Chairman of the Vinçotte Group, Vice-Chairman of the « Commission Energie 2030 » and Director of various companies like TrasyS S.A. and Alstom ACEC ENERGIE S.A.

The other members of ecoDa's Board are Daniel Lebègue (former Chairman of ecoDa and President of the IFA), Miles Templeman (Director-General of the IoD), Patrick Zurstrassen (Chairman of ILA), Tom Palmberg (Chairman of Hallitusammattilaiset ry) and Juan Alvarez-Vijande (Director of IC-A).

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Further information is also available on the following websites:

ecoDa : <http://www.ecoda.org>

IFA : <http://www.ifa-asso.com/>

AB: <http://www.administrateurs.be/>

IoD : <http://www.iod.com>

ILA : <http://www.ila.lu/>

Hallitusammattilaiset ry: www.hallitusammattilaiset.fi

IC-A : <http://www.iconsejeros.com>

CioD : www.ciod.cz

The Slovenian Association of Supervisory Board Members: www.zdruzenje-ns.si

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