Leaders of industry in the United States now acknowledge their obligation to pursue superior environmental performance and to disclose information about that performance to their investors and other stakeholders.

The integrity, utility, and comparability of environmental disclosure depend on using a common format, credible metrics, and a set of generally accepted standards. This will enable investors to assess environmental progress within and across industries.

The Coalition for Environmentally Responsible Economies (CERES)—a ten-year partnership between large investors, environmental groups, and corporations—has established what we believe is the most thorough and well-respected environmental disclosure form in the United States. CERES has also taken the lead internationally, convening major organizations together with the United Nations Environment Programme in the Global Reporting Initiative (GRI). The GRI Guidelines for standardizing environmental disclosure worldwide are already pilot-tested by 20 companies.

Companies which endorse the CERES Principles engage with stakeholders in transparent environmental management and agree to a single set of consistent standard for environmental reporting. That standard is set by the endorsing companies together with CERES.

We believe endorsing the CERES Principles commits a company to the prudent oversight of its financial and physical resources through: (1) protection of the biosphere; (2) sustainable use of natural resources; (3) waste reduction; (4) energy conservation; (5) risk reduction; (6) safe products/services; (7) environmental restoration; (8) informing the public; (9) management commitment; (10) audits and reports. (The full text of the CERES Principles and accompanying CERES Report form are obtainable from CERES, 11 Arlington Street, Boston Massachusetts 02116, (617) 247-0700 / www.ceres.org).

Resolved:
Shareholders request that the company endorse the CERES Principles as a reasonable and beneficial component of their corporate commitment to be publicly accountable for environmental performance.

Supporting Statement:
Recent studies show that the integration of environmental commitment into business operations provides competitive advantage and improves long-term financial performance for companies. In addition, the depth of a firm’s environmental commitment and the quality with which it manages its environmental performance are indicators of prudent foresight exercised by management.

Given investors’ needs for credible information about a firm’s environmental performance, and given the number of companies that have already endorsed the CERES Principles and adopted its report format, it is a reasonable, widely accepted step for a company to endorse those Principles if it wishes to demonstrate its seriousness about superior environmental performance.

Your vote FOR this resolution serves the best interests of our Company and its shareholders.

Appendix B: The CERES Principles

By endorsing the CERES Principles, companies not only formalize their dedication to environmental awareness and accountability but also
actively commit to an ongoing process of continuous improvement, dialogue and comprehensive, systematic public reporting. Endorsing companies have access to the diverse array of experts in our network, from investors to policy analysts, energy experts, scientists, and others.

**Principles**

*Protection of the biosphere*
We will reduce and make continual progress toward eliminating the release of any substance that may cause environmental damage to the air, water, or the earth or its inhabitants. We will safeguard all habitats affected by our operations and will protect open spaces and wilderness, while preserving biodiversity.

*Sustainable use of natural resources*
We will make sustainable use of renewable natural resources, such as water, soils and forests. We will conserve non-renewable natural resources through efficient use and careful planning.

*Reduction and disposal of wastes*
We will reduce and where possible eliminate waste through source reduction and recycling. All waste will be handled and disposed of through safe and responsible methods.

*Energy conservation*
We will conserve energy and improve the energy efficiency of our internal operations and of the goods and services we sell. We will make every effort to use environmentally safe and sustainable energy sources.

*Risk reduction*
We will strive to minimize the environmental, health and safety risks to our employees and the communities in which we operate through safe technologies, facilities and operating procedures, and by being prepared for emergencies.

*Safe products and services*
We will reduce and where possible eliminate the use, manufacture or sale of products and services that cause environmental damage or health
Environmental restoration

We will promptly and responsibly correct conditions we have caused that endanger health, safety or the environment. To the extent feasible, we will redress injuries we have caused to persons or damage we have caused to the environment and will restore the environment.

Informing the public

We will inform in a timely manner everyone who may be affected by conditions caused by our company that might endanger health, safety or the environment. We will regularly seek advice and counsel through dialogue with persons in communities near our facilities. We will not take any action against employees for reporting dangerous incidents or conditions to management or to appropriate authorities.

Management commitment

We will implement these Principles and sustain a process that ensures that the Board of Directors and Chief Executive Officer are fully informed about pertinent environmental issues and are fully responsible for environmental policy. In selecting our Board of Directors, we will consider demonstrated environmental commitment as a factor.

Audits and reports

We will conduct an annual self-evaluation of our progress in implementing these Principles. We will support the timely creation of generally accepted environmental audit procedures. We will annually complete the CERES Report, which will be made available to the public.

Disclaimer:

These Principles establish an environmental ethic with criteria by which investors and others can assess the environmental performance of companies. Companies that endorse these Principles pledge to go voluntarily beyond the requirements of the law. The terms “may” and “might” in Principles one and eight are not meant to encompass every imaginable consequence, no matter how remote. Rather, these Principles obligate endorsers to behave as prudent persons who are not governed by conflicting interests and who possess a strong commitment.
to environmental excellence and to human health and safety. These Principles are not intended to create new legal liabilities, expand existing rights or obligations, waive legal defenses, or otherwise affect the legal position of any endorsing company, and are not intended to be used against an endorser in any legal proceeding for any purpose.

Appendix C: Official United Nations Commission on Sustainable Development Partnership Registration Form

* Asterisked items must be filled in

<table>
<thead>
<tr>
<th>General</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Name of partnership:</td>
</tr>
<tr>
<td>* Expected timeframe:</td>
</tr>
<tr>
<td>Partnership website (if any):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>* Partners involved</th>
<th>(Please identify, for each relevant type, the names of all partners involved in the partnership.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governments (country, name of government body):</td>
<td></td>
</tr>
<tr>
<td>Major groups¹</td>
<td>(group, name of organization, country):</td>
</tr>
<tr>
<td>UN System (name of UN body, country):</td>
<td></td>
</tr>
<tr>
<td>Other intergovernmental organizations (name, country):</td>
<td></td>
</tr>
<tr>
<td>Other²</td>
<td>(name of organization, country):</td>
</tr>
</tbody>
</table>

| * Lead partners | Please designate one or at most two partners as the focal point(s). Please provide contact information (* full name, address, *phone, email). |

¹ As identified in *Agenda 21*, the nine major groups of civil society are: Women, Youth and Children, Indigenous People, Non-Governmental Organizations, Local Authorities, Workers and Trade Unions, Business and Industry, Scientific and Technological Community and Farmers.

² Other organizations e.g. academic institutions, media, etc.
**Themes involved** Select one or more themes from the multi-year programme of the work of the Commission on Sustainable Development, by placing an X in the relevant boxes.

*Primary focus/theme(s) please use the left box (1), other theme(s) use the right box (2).*

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>Energy for sustainable development</td>
</tr>
<tr>
<td>Air pollution / Atmosphere</td>
<td>Forests</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Gender equality</td>
</tr>
<tr>
<td>Biotechnology</td>
<td>Health and sustainable development</td>
</tr>
<tr>
<td>Changing unsustainable patterns of consumption and Production</td>
<td>Human settlements</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Industrial development</td>
</tr>
<tr>
<td>Climate change</td>
<td>Institutional framework for sustainable development</td>
</tr>
<tr>
<td>Desertification</td>
<td>Land</td>
</tr>
<tr>
<td>Disaster management and Vulnerability</td>
<td>Marine resources</td>
</tr>
<tr>
<td>Drought</td>
<td>Means of Implementation (Trade, Finance, Technology Transfer, etc.)</td>
</tr>
<tr>
<td>Education</td>
<td>Mining</td>
</tr>
<tr>
<td></td>
<td>Mountains</td>
</tr>
</tbody>
</table>

*Geographic scope*
Please select one of the following to describe the geographic scope of your partnership:

- [ ] Global
- [ ] Regional (specify): [ ] National
- [ ] Sub-regional (specify): [ ] Sub-national / local

*Please identify every country where the partnership is being implemented:*

| Coverage |

*Objectives*

*Partnership goals and objectives* (Please provide a brief description. Maximum 200 words):

| Objectives |

*Partnership targets (quantifiable or other)* (Please be as specific as you can. Maximum 200 words):

| Objectives |
Corporate Responsibility/Public Policy

* Progress against targets (Maximum 200 words) If none, state none.

Arrangements for capacity-building and technology transfer (if relevant):

- Human resources development/training
- Institutional strengthening, including local participation
- Education/building awareness
- Technology transfer/exchange
- Other

Please provide a brief description:

Coordination mechanism of the Partnership (Please provide a brief description. Max. 200 words):

Implementation mechanism of the Partnership (Please provide a brief description. Max. 200 words):

* Please indicate how the partnership contributes to the implementation of Agenda 21, the Programme for the Further Implementation of Agenda 21, and/or the Johannesburg Plan of Implementation If possible, please specify the relevant sections of the agreements that relate to your partnership.

Resources

As stated in the CSD-11 guidelines and criteria, partnerships should be based on predictable and sustained resources for their implementation, including new resources. Please provide as much information as possible.

Funding currently available:

<table>
<thead>
<tr>
<th>Source(s):</th>
<th>Amount in US$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td></td>
</tr>
<tr>
<td>Inter-Governmental Organizations (IGOs)</td>
<td></td>
</tr>
<tr>
<td>Non-Governmental Organizations (NGOs)</td>
<td></td>
</tr>
<tr>
<td>Foundations / charities</td>
<td></td>
</tr>
<tr>
<td>Other (please specify):</td>
<td></td>
</tr>
</tbody>
</table>

Specify source(s) e.g. names of organizations, ministries, etc.:

5 Copies of these documents are available by following the links given or visiting the following page of the CSD Secretariat website: www.un.org/esa/sustdev/partnerships/partnerships_registration
Appendices

Additional funding sought: Amount in US$

Specify source(s) already approached:

Non-financial resources available:

Type(s): 
- Computers
- Office space
- Staff
- Other
- None

Source(s):
- Government
- Private sector
- Inter-Governmental Organizations (IGOs)
- Non-Governmental Organizations (NGOs)
- Foundations / charities
- Other (please specify):

Specify source(s):

Non-financial resources sought:

Requirement(s):
- Computers
- Office space
- Staff
- Other (specify below)
- None

Specify source(s) already approached and provide details of requirements:

National Focal Points

Taking into account the CSD-11 guidelines and criteria in this respect, please indicate if the partnership has made contact with the national focal points for sustainable development in the countries involved:

- Yes
- No
- Don’t know

Additional Relevant Information

Please share any lessons learned from experience with this partnership, including any problems and constraints encountered and successful strategies employed for dealing with them, possible opportunities for extending this initiative and/or replicating it elsewhere, etc.

---

4 A list of National Focal Points is available at http://www.un.org/esa/sustdev/natlinfo/natlinfo_contact.pdf
Appendix D: The Ten Principles of the
United Nations Global Compact

**Human Rights**

The Secretary-General asked world business to:
Principle 1: support and respect the protection of international human rights within their sphere of influence; and
Principle 2: make sure their own corporations are not complicit in human rights abuses.

**Labor**

The Secretary-General asked world business to uphold:
Principle 3: freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labor;
Principle 5: the effective abolition of child labor; and

**Environment**

The Secretary-General asked world business to:
Principle 7: support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

**Anticorruption**

The Secretary-General asked world business to:
Principle 10: work against corruption in all its forms, including extortion and bribery (added to the original 9 principles June 2004).
Appendices

Appendix E: Sample of Early UN Global Compact Nonbusiness Participants

UN Agencies:
- United Nations Environment Programme (UNEP)
- Office of the High Commissioner for Human Rights (OHCHR)
- International Labour Organization (ILO)
- United Nations Development Programme (UNDP)
- United Nations Industrial Development Organization (UNIDO)

NGO/Civil Society Participants:

Human Rights:
- Amnesty International
- Human Rights Watch
- The Danish Institute for Human Rights
- Lawyers Committee for Human Rights
- Environment:
- World Wide Fund for Nature (WWF)
- The World Conservation Union (IUCN)
- World Resources Institute
- International Institute for Environment and Development
- Conservation International

Development, Others:
- Regional and International Networking Group
- Global Reporting Initiative (GRI)
- Transparency International
- The Save the Children Alliance
- SA 8000
- Global Sullivan Principles
- The Copenhagen Centre
- European Business Campaign on Corporate Social Responsibility
- International Center for Alcohol Policies (ICAP)
- GoodCorporation
- International Telecommunication Academy
- AIESEC

<table>
<thead>
<tr>
<th></th>
<th>SAI</th>
<th>WRAP</th>
<th>FLA</th>
<th>WRC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entire Brand Certification</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>Requires Certification of</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Every Factory</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. Firms Participating</td>
<td>N/A</td>
<td>700</td>
<td>12</td>
<td>N/A</td>
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<tr>
<td>Factories Affected</td>
<td>258 (only 1200 factories)</td>
<td>1200</td>
<td>3000</td>
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<tr>
<td>Total Facility Certifications/</td>
<td>258 in 36 countries</td>
<td>450</td>
<td>185 in 19 countries</td>
<td>3</td>
</tr>
<tr>
<td>Inspections (as of 31 July 2003)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Countries Affected</td>
<td>36</td>
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<td>80</td>
<td>N/A</td>
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<tr>
<td>Disclosure of Factory Names</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>


Appendix G: SA8000 Code (version 2001)

I. Purpose And Scope

This standard specifies requirements for social accountability to enable a company to:

a) develop, maintain, and enforce policies and procedures in order to manage those issues which it can control or influence;

b) demonstrate to interested parties that policies, procedures and practices are in conformity with the requirements of this standard.

The requirements of this standard shall apply universally with regard to geographic location, industry sector and company size.
**II. Normative Elements And Their Interpretation**

The company shall comply with national and other applicable law, other requirements to which the company subscribes, and this standard. When national and other applicable law, other requirements to which the company subscribes, and this standard address the same issue, that provision which is most stringent applies.

The company shall also respect the principles of the following international instruments:

- ILO Conventions 29 and 105 (Forced & Bonded Labour)
- ILO Convention 87 (Freedom of Association)
- ILO Convention 98 (Right to Collective Bargaining)
- ILO Conventions 100 and 111 (Equal remuneration for male and female workers for work of equal value; Discrimination)
- ILO Convention 135 (Workers’ Representatives Convention)
- ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation)
- ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
- ILO Convention 159 (Vocational Rehabilitation & Employment/Disabled Persons)
- ILO Convention 177 (Home Work)
- ILO Convention 182 (Worst Forms of Child Labour)

Universal Declaration of Human Rights

The United Nations Convention on the Rights of the Child

The United Nations Convention to Eliminate All Forms of Discrimination Against Women

**III. Definitions**

1. **Definition of company:**

The entirety of any organization or business entity responsible for implementing the requirements of this standard, including all personnel (i.e., directors, executives, management, supervisors, and non-management staff, whether directly employed, contracted or otherwise representing the company).
2. Definition of supplier/subcontractor:
A business entity which provides the company with goods and/or services integral to, and utilized in/for, the production of the company’s goods and/or services.

3. Definition of sub-supplier:
A business entity in the supply chain which, directly or indirectly, provides the supplier with goods and/or services integral to, and utilized in/for, the production of the supplier’s and/or company’s goods and/or services.

4. Definition of remedial action:
Action taken to make amends to a worker or former employee for a previous violation of a worker’s rights as covered by SA8000.

5. Definition of corrective action:
The implementation of a systemic change or solution to ensure an immediate and ongoing remedy to a nonconformance.

6. Definition of interested party:
Individual or group concerned with or affected by the social performance of the company.

7. Definition of child:
Any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing-country exceptions under ILO Convention 138, the lower age will apply.

8. Definition of young worker:
Any worker over the age of a child as defined above and under the age of 18.

9. Definition of child labour:
Any work by a child younger than the age(s) specified in the above definition of a child, except as provided for by ILO Recommendation 146.

10. Definition of forced labour:
All work or service that is extracted from any person under the menace of any penalty for which said person has not offered him/herself
voluntarily or for which such work or service is demanded as a means of repayment of debt.

11. Definition of remediation of children:
All necessary support and actions to ensure the safety, health, education, and development of children who have been subjected to child labour, as defined above, and are dismissed.

12. Definition of homeworker:
A person who carries out work for a company under direct or indirect contract, other than on a company’s premises, for remuneration, which results in the provision of a product or service as specified by the employer, irrespective of who supplies the equipment, materials or other inputs used.

IV. Social Accountability Requirements

1. Child labour

Criteria:

1.1 The company shall not engage in or support the use of child labour as defined above.

1.2 The company shall establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for remediation of children found to be working in situations which fit the definition of child labour above, and shall provide adequate support to enable such children to attend and remain in school until no longer a child as defined above.

1.3 The company shall establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for promotion of education for children covered under ILO Recommendation 146 and young workers who are subject to local compulsory education laws or are attending school, including means to ensure that no such child or young worker is employed during school hours and that combined hours of daily transportation (to and from work and school), school, and work time does not exceed 10 hours a day.

1.4 The company shall not expose children or young workers to situations in or outside of the workplace that are hazardous, unsafe, or unhealthy.
2. Forced labour

Criterion:

2.1 The company shall not engage in or support the use of forced labour, nor shall personnel be required to lodge “deposits” or identity papers upon commencing employment with the company.

3. Health and safety

Criteria:

3.1 The company, bearing in mind the prevailing knowledge of the industry and of any specific hazards, shall provide a safe and healthy working environment and shall take adequate steps to prevent accidents and injury to health arising out of, associated with or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 The company shall appoint a senior management representative responsible for the health and safety of all personnel, and accountable for the implementation of the Health and Safety elements of this standard.

3.3 The company shall ensure that all personnel receive regular and recorded health and safety training, and that such training is repeated for new and reassigned personnel.

3.4 The company shall establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel.

3.5 The company shall provide, for use by all personnel, clean bathrooms, access to potable water, and, if appropriate, sanitary facilities for food storage.

3.6 The company shall ensure that, if provided for personnel, dormitory facilities are clean, safe, and meet the basic needs of the personnel.

4. Freedom of association & right to collective bargaining

Criteria:

4.1 The company shall respect the right of all personnel to form and join trade unions of their choice and to bargain collectively.

4.2 The company shall, in those situations in which the right to freedom of association and collective bargaining are restricted under law, facilitate parallel means of independent and free association and bargaining for all such personnel.

4.3 The company shall ensure that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace.
5. Discrimination

Criteria:

5.1 The company shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age.

5.2 The company shall not interfere with the exercise of the rights of personnel to observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, gender, sexual orientation, union membership, or political affiliation.

5.3 The company shall not allow behaviour, including gestures, language and physical contact, that is sexually coercive, threatening, abusive or exploitative.

6. Disciplinary practices

Criterion:

6.1 The company shall not engage in or support the use of corporal punishment, mental or physical coercion, and verbal abuse.

7. Working hours

Criteria:

7.1 The company shall comply with applicable laws and industry standards on working hours. The normal workweek shall be as defined by law but shall not on a regular basis exceed 48 hours. Personnel shall be provided with at least one day off in every seven-day period. All overtime work shall be reimbursed at a premium rate and under no circumstances shall exceed 12 hours per employee per week.

7.2 Other than as permitted in Section 7.3 (below), overtime work shall be voluntary.

7.3 Where the company is party to a collective bargaining agreement freely negotiated with worker organizations (as defined by the ILO) representing a significant portion of its workforce, it may require overtime work in accordance with such agreement to meet short-term business demand. Any such agreement must comply with the requirements of Section 7.1 (above).

8. Remuneration

Criteria:

8.1 The company shall ensure that wages paid for a standard working week shall always meet at least legal or industry minimum standards.
and shall be sufficient to meet basic needs of personnel and to provide some discretionary income.

8.2 The company shall ensure that deductions from wages are not made for disciplinary purposes, and shall ensure that wage and benefits composition are detailed clearly and regularly for workers; the company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered either in cash or check form, in a manner convenient to workers.

8.3 The company shall ensure that labour-only contracting arrangements and false apprenticeship schemes are not undertaken in an effort to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

9. Management systems

Criteria:
Policy
9.1 Top management shall define the company’s policy for social accountability and labour conditions to ensure that it:

a) includes a commitment to conform to all requirements of this standard;

b) includes a commitment to comply with national and other applicable law, other requirements to which the company subscribes and to respect the international instruments and their interpretation (as listed in Section II);

c) includes a commitment to continual improvement;

d) is effectively documented, implemented, maintained, communicated and is accessible in a comprehensible form to all personnel, including, directors, executives, management, supervisors, and staff, whether directly employed, contracted or otherwise representing the company;

e) is publicly available.

Management Review
9.2 Top management shall periodically review the adequacy, suitability, and continuing effectiveness of the company’s policy, procedures and performance results vis-a-vis the requirements of this standard and other requirements to which the company subscribes.
System amendments and improvements shall be implemented where appropriate.

Company Representatives

**9.3** The company shall appoint a senior management representative who, irrespective of other responsibilities, shall ensure that the requirements of this standard are met.

**9.4** The company shall provide for non-management personnel to choose a representative from their own group to facilitate communication with senior management on matters related to this standard.

Planning and Implementation

**9.5** The company shall ensure that the requirements of this standard are understood and implemented at all levels of the organisation; methods shall include, but are not limited to:

- a) clear definition of roles, responsibilities, and authority;
- b) training of new and/or temporary employees upon hiring;
- c) periodic training and awareness programs for existing employees;
- d) continuous monitoring of activities and results to demonstrate the effectiveness of systems implemented to meet the company’s policy and the requirements of this standard.

Control of Suppliers/Subcontractors and Sub-Suppliers

**9.6** The company shall establish and maintain appropriate procedures to evaluate and select suppliers/subcontractors (and, where appropriate, sub-suppliers) based on their ability to meet the requirements of this standard.

**9.7** The company shall maintain appropriate records of suppliers/subcontractors (and, where appropriate, sub-suppliers’) commitments to social accountability, including, but not limited to, the written commitment of those organizations to:

- a) conform to all requirements of this standard (including this clause);
- b) participate in the company’s monitoring activities as requested;
- c) promptly implement remedial and corrective action to address any nonconformance identified against the requirements of this standard;
d) promptly and completely inform the company of any and all relevant business relationship(s) with other suppliers/subcontractors and sub-suppliers.

9.8 The company shall maintain reasonable evidence that the requirements of this standard are being met by suppliers and subcontractors.

9.9 In addition to the requirements of Sections 9.6 and 9.7 above, where the company receives, handles or promotes goods and/or services from suppliers/subcontractors or sub-suppliers who are classified as homeworkers, the company shall take special steps to ensure that such homeworkers are afforded a similar level of protection as would be afforded to directly employed personnel under the requirements of this standard. Such special steps shall include but not be limited to:

(a) establishing legally binding, written purchasing contracts requiring conformance to minimum criteria (in accordance with the requirements of this standard);
(b) ensuring that the requirements of the written purchasing contract are understood and implemented by homeworkers and all other parties involved in the purchasing contract;
(c) maintaining, on the company premises, comprehensive records detailing the identities of homeworkers; the quantities of goods produced/services provided and/or hours worked by each homeworker;
(d) frequent announced and unannounced monitoring activities to verify compliance with the terms of the written purchasing contract.

Addressing Concerns and Taking Corrective Action

9.10 The company shall investigate, address, and respond to the concerns of employees and other interested parties with regard to conformance/nonconformance with the company’s policy and/or the requirements of this standard; the company shall refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of the standard.

9.11 The company shall implement remedial and corrective action and allocate adequate resources appropriate to the nature and severity of any nonconformance identified against the company’s policy and/or the requirements of the standard.

Outside Communication

9.12 The company shall establish and maintain procedures to communicate regularly to all interested parties data and other information regarding performance against the requirements of this document,
including, but not limited to, the results of management reviews and monitoring activities.

Access for Verification

9.13 Where required by contract, the company shall provide reasonable information and access to interested parties seeking to verify conformance to the requirements of this standard; where further required by contract, similar information and access shall also be afforded by the company’s suppliers and subcontractors through the incorporation of such a requirement in the company’s purchasing contracts.

Records

9.14 The company shall maintain appropriate records to demonstrate conformance to the requirements of this standard.

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Appendix H: SA8000 Governing and Advisory Board Members as of July 2003

Governing Board

1. Steve Newman (Chairman), Medical Health & Research Association
2. Alice Tepper-Marlin, Social Accountability International
3. Dana Chasin, Consultant
4. Jeff Samuels, Paul, Weiss, Rifkind, Wharton & Garrison
5. Leni Darrow, Investment Banker
6. Tom DeLuca, Toys R Us
7. Riccardo Bagni, Coop Italia

Advisory Board

Members Affiliated with NonGovernmental Organizations, Trade Unions, Socially Responsible Investing and Government

1. Dorianne Beyer / David Zwiebel (alternate), National Child Labor Committee (USA)
2. Jan Furstenborg, Union Network International (Switzerland)
3. Oded Grajew / Helio Mattar (alternate), Abrinq Foundation for Children’s Rights (Brazil)
4. Joseph Iarocci, CARE International  
5. Neil Kearney, International Textile, Garment & Leather Workers Federation (Belgium)  
6. Kaiming Liu, Institute of Contemporary Observation (China)  
7. Alice Tepper Marlin, Social Accountability International (USA)  
8. The Hon. William Thompson/Ken Sylvester (alternate), Office of the Comptroller, NYC (USA)  
9. Morton Winston, Amnesty International (USA)  
10. Lynda Yanz, Maquila Solidarity Network (Canada)  
11. OPEN

**Members Affiliated with Business**

1. Tom DeLuca (Chair) Toys “R” Us (USA)  
2. Sylvain Cuperlier, Dole Food Company (USA)  
3. Ivano Barberini / Alessandra Vaccari (alternate), Legacoop and Coop Italia (Italy)  
4. Durai Duraiswamy / Robin Cornelius (alternate), Prem Durai Exports (India) and Switcher SA (Switzerland)  
5. Pietro Foschi / Andrew Kirkby (alternate), Bureau Veritas Quality International Holding S.A. (United Kingdom)  
6. Amy Hall, Eileen Fisher (USA)  
7. Fitz Hilaire, Consultant (USA)  
8. Dr. Johannes Merck / Achim Lohrie (alternate), OTTO-Versand, (Germany)  
9. Frits Nagel, WE Europe (The Netherlands)  
10. David McLaughlin/George Jaksch (alternate), Chiquita Brands International (USA)  
11. OPEN
Chapter One: The New Global Business Regulation—Understanding Corporate Social Responsibility

1. This is not to suggest that business interests were not represented by their home governments in previous UN engagements. As noted in the introductory comments at the 2002 Summit by Philip Watts, Chairman of Shell Oil, something on the order of 50 business leaders participated in, and subsequently pledged to sustainable development in Rio 1992.

2. See (Clark 1998) for an assessment of NGO influence at such events.


7. Ibid.

8. By public goods I draw upon Olson (1965) who defines them as “any good such that, if any person . . . consumes it, it cannot feasibly be withheld from the others in that group” (p. 14).


10. For more on the notion of “democracy deficit” see (Bhagwati 1997; Cerny 1999; Nye 2001). Others such as (Barber 1995; Hertz 2002; Soros 2002; Stiglitz 2002) make the case more forcefully that it is the nature specifically of global capitalism that exacerbates this disconnect between the desires of citizens and the ultimate decisions of those in decision-making positions.

11. (Carroll 1999).

12. (Elkington 1998, p. 55). This definition of sustainable development emerges from discussions at the World Commission on Environment and Development meeting (1987) chaired by Norwegian Prime Minister Gro Harlem Brundtland—the so-called Brundtland Report. It is now commonly referred to as simply “sustainability.”

13. This voluntary preference, rather than stronger regulations mandated by the EU, has been met with much criticism. In anticipation of this the EU noted in the same report that “the main function of an enterprise is to create value through producing goods and services that society demands, thereby generating profit for its owners and shareholders as well as welfare for society, particularly through an ongoing process of job creation. However, new social and market pressures are gradually leading to a change in the values and in the horizon of business activity.”

16. (Freeman 1984).
18. Ibid.
20. While the focus here is upon those NGO-firm pairings that bring about private CSR engagement and agreement, it is important to note that in some cases governments are engaged in partnerships as well.
21. In addition to the UNCSD, the World Business Council for Sustainable Development has maintained a database of many partnership efforts between business and civil society groups.
22. In the United States alone, “nearly one out of nine dollars under professional management... is involved in socially responsible investing,” amounting to over $2 trillion in overall funds according to the Social Investment Forum: http://www.socialinvest.org. In the United Kingdom, “SRI is equivalent to 5% of funds under management” but has seen a dramatic rise over the last decade (January 11, 2002, Oxford Analytica Weekly Column). Available at Columbia International Affairs online: http://www.ciaonet.org/pbei/oxan/oxa01112002.html; Accessed: November 22, 2002.
24. I attribute my introduction to the idea of “civil regulation” to (Murphy 1997; Bendell 2000).

Chapter Two: CSR Practice Meets Theory—Global Governance and Global Public Policy Networks

1. (Drezner 2000).
2. The Organization for Economic Cooperation and Development (OECD) is essentially a club of the most developed nations. Its failed attempt to create a Multilateral Agreement on Trade and Investment due to civil society objections over its lack of social protections (Smythe 2000) demonstrates the difficulties of mobilizing multilateral government action to mandate anything more than a voluntary standards around business behavior.
3. (Kaul et al. 1999).
4. This is not to suggest that welfare states have withered away, or that regulation of business in OECD states is waning. It is certainly not. Rather, the ideological underpinnings of the consensus have placed constraints on the parameters and expansion of state action (Yergin 1998; Rothstein 2002).
5. (Salamon 2002).
6. (Braithwaite 2000, p. 5).
7. Ibid.
8. Ibid., p. 10.
9. Ibid., p. 13. Braithwaite and Drahos identify the importance of these dense webs and their normative and empirical pull on regulating business behavior. They, however, choose not to take them up in detail in their treatment of global business regulation that has as its main focus governmental efforts.
11. As framed by Rosenau, “governance without government” refers to those “regulatory mechanisms in a sphere of activity which function effectively even though they are not endowed with formal [governmental] authority” (Rosenau 1992, pp. 5–8).
12. (Gereffi 2001).
15. The work of Robert Gilpin (1975, 1987) does examine the role of multinational corporations but only through the lens of how these enterprises serve as tools of state power. Closer to the intent here to separate the two is Susan Strange’s work (1996) that unhinges business from the state, though it still views business as acting upon state preferences for action.


17. (Cutler 1999, p. 369).

18. Ibid.

19. (Krasner 1983).


21. Ibid., p. xi, and for more work done in the GPPN tradition see (Waddell 2002).

22. Ibid., p. 23.

23. Ibid., p. 9. Regime theories have also explored this gap and examined the role of multilateral state cooperation on those issues requiring collaboration and coordination.

24. This definition of transparency draws upon (Chayes 1995, p. 22).


26. Dunn interview, October 8, 2002.

27. (Strange 1996, p. 198).

28. (Bhagwati 2001).


31. This institutional lag is what often inhibits less developed countries to, at least initially, manage the difficulties of liberal market capitalism (Paris 1997).

Chapter Three: Managing Global Economic Transformations—The History of Regulating the Corporation, Then and Now


2. (Polanyi 1944, p. 132).


5. (Kolko 1963, p. 3). Examples of effective business lobbies working toward this goal over time include the Anti-Corn Law League (United Kingdom) in the early 1800s, the National Association of Manufacturers (United States) in 1890s, Chambers of Commerce everywhere, and the Business Roundtable today.

6. For examples of the “varieties” literature see (Gerschenkron 1962; McCraw 1997; Blackford 1998; Hall 2001).

7. (Schmitter 1974; Stepan 1978; Carnoy 1984; Katzenstein 1984; Cawson 1985)

8. (Gilpin 1975; 1983).


11. By regulation, I refer to those public and governmental efforts to require specific behaviors of business in line with some defined public interest. This definition is intentionally broad to encompass both the older and contemporary forms of business regulation (i.e., those that have held a central role for the state and those that do not as in CSR network efforts today) and borrows from (Mittnick 1980, pp. 5–7) and (Himmelberg 1994, p. viii).
12. The idea of exogenous system shock or “punctuated equilibrium” is adapted from Krasner (1978).

13. (Vogel 1989, p. 8).

14. For more on the politics of regulatory appointments see (Ekirch 1974, p. 117).

15. The nonbusiness corporate form for the establishment of towns, guilds, and colonies has been with us since the days of the Roman Empire (Beatty 2001), yet general business incorporation (available to all) is a product of mid-nineteenth century (1840–1850) industrial revolution pressures in both Great Britain and the United States (Seavoy 1982).


17. For example, British East India Company, Hudson’s Bay Company, Massachusetts Bay Company, and the Virginia Company to name a few of the early luminaries in both U.S. and British history.

18. (Hurst 1970, pp. 3–4). This view of the corporation as mainly a tool of state power extension has dominated the international political economy treatments that take up the business role in international relations scholarship (Vernon and UN Conference on Trade and Development 1972; Gilpin 1975; and Gilpin 1987), and dominates the view held by dependency scholars as well (Frank 1967; Cardoso 1972; Cockcroft, Frank et al. 1972).


20. In theory, and as previously defined, these public goods were, in part, excludable. Rents could be extracted from toll roads, canals, and the like (the exception being churches). Yet, the provision and existence of these improvements did serve the greater public good through closely controlled monopoly providers whose rates were often regulated, for example, by giving free passage granted for the poor (Grossman 1993). This also helped to avoid tremendous public expense for their procurement constituting, at the very least, an indirect public good.


24. Ibid.

25. While appearing to be out of the way, the state still played a very active role in the opening of the country. (Limerick 1987; Dobbin 2001; Hirschland 2003).


27. (Morison 1965, p. 764) and quoted in (Mahon 1996, pp. 16–17).

28. (Prechel 2000, pp. 37–39) further explores this early state-on-state competition to attract firm incorporation.


30. See (Rodgers 1998) for an excellent explanation and comparison of the rich pan-Atlantic pollination of ideas that fueled this first Progressive Era—much akin to contemporary development in the realm of CSR.

31. (Wiebe 1962, p. 6).

32. Respectively: (Riis 1890; Lloyd 1894; Lawson 1905; Spargo 1906; Greider 1997; Varley 1998; Korten 2001; Mitchell 2001; Hertz 2002).


34. (Burnham 1970).

35. (Wiebe 1967; Skowronek 1982).

36. For an excellent review of this literature, and drawn upon here, see (Rodgers 1982).

37. (Kolko 1963, pp. 2–3).

38. Ibid.

39. For a superb articulation of the style and limits of American reformism see (Hartz 1991) who describes the fundamental characteristic of American liberalism grown in the absence of a feudal past, unlike European reform.

40. The first two codified by the Nineteenth and Seventeenth Amendments respectively.
41. See (McCraw 1975) for a review of much of the “capture” literature. Many working in CSR networks, particularly NGOs, also express concern about and are cautious of being “captured” by industry efforts to temper their efforts today.
42. (Hofstadtler 1974, pp. 270–280).
43. See (Skowronek 1982; Bensel 1990) for a description of the augmentation of U.S. federal powers during this period.
44. (Eisner 2000, p. 83). It is interesting to note the effort to have industry self-impose codes of conduct is a technique that sits at the core of contemporary CSR efforts today—sometimes with active governmental approval, and other times not. An example of this is President Clinton’s Apparel Industry Partnership (AIP) program (that later became the Fair Labor Association) prodding the industry to work on labor issues (especially the child labor) without, however, the overt threat of direct governmental intervention.
45. Ibid. The NIRA was found unconstitutional in 1935 for reasons that it inappropriately gave the executive branch inappropriate legislative powers. Yet, the impacts of the precedents it set are still felt today from the basic notion of a “floor” for workplace rights and the promulgation of industry codes of conduct that will be taken up further in chapter five.
46. Ibid. Chapter 5 (Eisner 2000).
47. (Ruggie 1997).
49. Ibid. (Eisner 2000, p. 119).
50. See (Blythe 2002) for an extended description of this deliberate process in both the United States, and Europe that ushered in the neoliberalism of today.
53. According to figures in the 2001 Annual Regulatory Budget Report produced by the Center for the Study of Business at Washington University, St. Louis, p. 4.
54. (Blythe 2002, p. 6), publisher’s proof version.
57. (Dye 1990, p. 3) and drawn from (Lipset 1983).
59. Ibid.
60. From World Bank publication “Global Economic Prospects and the Developing Countries 2001” and PovertyNet.
63. (Prasad et al. 2003, p. 5).
64. Ibid. p. 6.
66. In broad terms, the eight Millennium Development Goals target eradication of extreme poverty and hunger; achieving universal primary education; promotion of gender equality and women empowerment; reduction of child mortality; improving maternal health; combating HIV/AIDS malaria and other diseases; ensuring environmental sustainability; and developing a partnership for development. For more see http://www.un.org/millenniumgoals/goals.html.
68. See (Gerschenkron 1962).
69. (Prezeworski and Limongi 1997).
Chapter Four: Market Heal Thyself?—Socially Responsible Investment Networks

4. A third leg often included as part of the SRI network are community investment programs or those funds channeled explicitly to urban renewal and those in communities that are traditionally disadvantaged in economic terms. They, however, account for a small share of overall social investment initiatives. According to the Social Investment Forum, in 2003, community investments through community development financial institutions (e.g., community development banks, community development loan funds, community development credit unions, and community development venture capital funds) amounted to $14 billion. See figure 4.1.
8. Ibid.
9. As an aside, this is not unlike business spending on advertising where countless millions of dollars are spent each day without always knowing its true impacts. It is taken on faith that this resource allocation is necessary and, as the saying goes: I know that half of my ad spending is helping build the brand and sales—I just don’t know which half. CSR is seemingly held to a higher standard.
10. Among these are measures of community investment, environmental and human rights performance, charitable giving, transparency and disclosure, and a wide array of behaviors that fall under the CSR rubric (Margolis 2001, p. 28).
11. Ibid., p. 10.
12. Ibid.
13. Ibid.
14. The 1161 respondents include CEOs from across 33 countries with the following regional makeup: 316 from Europe, 220 from North America, 269 from Central and South America, 356 from Asia-Pacific, and 173 from Japan (PricewaterhouseCoopers 2002, p. 5).
15. Examples of this latter type of regulation include reporting requirements; internal firm governance standards (e.g., the Sarbanes-Oxley Act of 2002), and regulations governing the procedures and scope of shareholder resolutions.
16. For a survey of nascent European efforts to this end see (Aaronson 2002, chapter three).
17. This typically occurs annually at a firm’s shareholder meeting, where shareholders need not be in attendance to vote and may do so by mail, hence the term proxy.
19. Ibid.
20. Ibid.
23. (Mathieu 2000, p. 4).
24. The two applicable lines from the Act that require public disclosure in the Statement of Investment Principles (SIP) of the firms are (a) the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments; and (b) their policy (if any) in relation to the exercise of rights (including voting rights) attaching to investments (35(3)(f) of the 1995 Pensions Act).
29. Just Pensions was created by two antipoverty groups Traidcraft and War on Want, and is now managed by the U.K. Social Investment Forum. The U.K. Social Investment Forum is an NGO whose stated mission is to “promote and encourage the development and positive impact of SRI amongst U.K. based investors.” http://www.uksif.org.
30. Similar disclosure measures have been passed elsewhere, for example, in the Australia Financial Services Reform Act of 2001. Also, the Johannesburg Stock Exchange (JSE) now requires all listed companies to employ the Global Reporting Initiative (GRI) for their business sustainability reporting (http://www.socialfunds.com/news/article.cgi/article916.html).
31. (Domini 2001), Chapter 2.
33. Taken from (SIF 2001, pp. 20–21). These figures have recently been challenged as too broad and “boundaryless” in their accounting of the SRI universe since an institution is included if the fund policy “utilizes one or more social screens as part of a formal investment policy” (Program 2001, p. 28). A particularly vocal critic (Entine 2003) has called this into question because in his estimation, “any institution, investment manager, or investor that screens on almost any issue as part of a ‘formal’ policy is by SIF definition engaging in social investing (p. 14 of author’s manuscript),” thereby casting into suspicion the SIF claim that over $2 trillion is under professional SRI management. Entine’s claims do raise important questions regarding the difference among stated investment policies and actual actions. And while identification of SRI practice is not an exact science, SIF has been careful to include only those professionally managed funds that include a truly social component (and not policies on internal governance issues such as executive pay, board structure etc.) as part of their accounting—a fact that diffuses the Entine claim of boundarylessness.
34. To be included in the SIF measure of shareholder advocacy, an institutional investor will have engaged in a number of activities “dialoguing with companies on issues of concern, as well as filing, co-filing, and voting on proxy resolutions,” many of which will have as their focus corporate governance and social issues “aimed at influencing corporate behavior toward a more responsible level of corporate citizenship” (p. 3).
35. For comparison, in the United Kingdom, the figure is approximating £225 billion ($327 billion) or approximately 15 percent (Sparkes 2002, p. 389) of the £1.5 trillion controlled by the institutional community in the country funds under management (UK Statistics 2001, p. 4).
37. IRRC and ICCR’s 2003 Shareholder Proxy Season Overview: Social and Corporate Governance Resolution Trends, p. 1. The IRRC is a 30-year old company, acquired by
Institutional Shareholder Services (ISS) in 2005, that provides corporate responsibility research and information so investors are better equipped to vote their proxies.

38. Ibid.
39. Ibid., p. 2.
40. Ibid.
41. Ibid. This is resolution from the New York City pension funds against CBRL Group (Cracker Barrel Restaurants) to put into place a policy against discrimination on the basis of employee’s sexual orientation.
42. Ibid., p. 1. Due to the growth in the numbers of resolutions, the SECs Division of Corporation Finance, has recommended the consideration of a policy that would classify those “ignored, majority-supported” resolutions as “trigger events” that may soon open the door for shareholders to begin placing their own board member nominees directly onto future company proxy materials. This, as reported by Institutional Shareholder Service’s Will Boye, “Majority Votes on Shareholder Proposals Reach New High,” August 8, 2003. Available at: http://www.issproxy.com/articles/74.asp.
44. Personal interview, June 11, 2002.
46. Taken from the introduction to the CERES Principles that may be found in their entirety in Appendix B.
47. CERES History. Available at: http://ceres.org/about/history.htm.
48. The Global Reporting Initiative is an effort, originally helped launch by CERES in 1997, to standardize the reporting of CSR information across sectors and industries in order to better standardize the type and quality of information firms disclose.
49. Personal interview, September 26, 2003. K-Mart has recently emerged from bankruptcy prior to its merger with Sears.

Chapter Five: Wrestling with Pigs—Partnerships for Public Policy

5. In early 2004, WWF terminated the agreement, saying the companies planning was inadequate.
8. The Millennium Development Goals Report 2005 opens with a foreword from Secretary General Kofi Annan noting that “If current trends persist, there is a risk that many of the poorest countries will not be able to meet many of them.”
9. The “type-2” designator is an effort to differentiate these strictly voluntary arrangements from those more traditional type-1 agreements—the UN-sponsored, and official final agreements negotiated between governments.
10. See Appendix C for the official UNCSD registration form.
12. By the end of 2005, the number of registered partnerships had grown to over 300.
17. The World Economic Forum throughout the year and especially at its annual conference typically held in Davos, Switzerland, brings together world leaders and decision makers from across all sectors. Discussions, according to the WEF, typically have as their focus “business, development, economics, leadership, security and values.”
18. See Appendix D for the Ten Principles of the Global Compact.
19. See Appendix E for a list of those early nonbusiness participants.
22. In July 2005, Ruggie was appointed as the UN Special Representative on Human Rights, Transnational Corporations, and Other Business Enterprises.
26. Ibid.
29. BPD’s “Putting Partnerships to Work.”
30. (China 2002, p. 8).
31. Ibid.
32. It is important to note the status of NGOs in China is different than elsewhere. This is particularly the case when it comes to their freedom of action. As a sector, they are still closely regulated by the government and limited in the manner in which they are chartered and behave. According to Chen Guangyao, the deputy bureau director of the Nongovernmental Organizations Administrative Bureau Ministry of Civil Affairs, “NGOs should conduct their activities under the leadership of the government and in accordance with the law” (Guangyao 2000, p. 7). Thus, many of the groups that are described as local participant NGOs in this context are often quasi-governmental groups such as the Guangdong Woman’s Federation that has been an active partner in the efforts described here.
33. http://asiafoundation.org/about/abou_over.html; Accessed: October 10, 2003. http://asiafoundation.org/about/abou_over.html. Among the Foundation’s major projects are Promotion of effective law, governance, and citizenship; open regional markets and local economic opportunities; equal partnership and participation of women in all levels of society; and peace and stability within the region.
35. According to internal Levi Strauss documentation made available to me.
36. The following examples are taken from “Initiatives for Worker Protection and Development in China.”
37. Participants included Disney, Nike, McDonalds, Mattel, Reebok, Sears, Business for Social Responsibility (United States), Ethical Trading Initiative (United Kingdom), and others.
40. Such lists are maintained by the UN Commission on Sustainable Development, and one was formerly maintained by the business organization World Business Council for Sustainable Development that was once available on their Web site.
41. (Davy 2000; Bendell 2001; Welker 2003).
43. It may come as a surprise that the transparency of NGOs is often worse than some of the world’s biggest companies. A recent study assessing transparency of IGOs, firms, and NGOs released by the One World Trust suggests that it is, in fact, NGOs that are the weakest when it comes to revealing information about their activities (Kovach 2003, p. iv).
44. Deborah Spar suggests that a benefit of having more Northern firms conducting business in places where local practices fail to meet human rights, labor, and other standards is that they are likely to export higher standards to the rest of the world (Spar 1998).
45. (Foundation 2003, p. 6).

Chapter Six: Private Supply Chain Management:

Code Making and Enforcement Networks

1. (Bernstein 2001, p. 74).
2. Its stakeholders include businesses, nongovernmental organizations, trade unions, socially responsible investors, and governments.
3. Other GPPN actors seeking to address workplace standards include Workers Rights Consortium (WRC), Fair Labor Association (FLA), Worldwide Responsible Apparel Production (WRAP), Clean Clothes Campaign (CCC), Ethical Trading Initiative, to name some of the more visible players. The work here is not a comparison of these groups and their various standards. Such work has been done in (Wick 2003).
4. The International Standardization Organization (ISO) is a nongovernmental body that provides guidance for all types of industries and practices to assure globally consistent standards.
7. By “soft law” I draw from distinguished international lawyer Ignaz Seidl-Hohenfeldern who views it as a pronouncement found in treaties or other international instruments that possess “a vagueness of the obligations that it imposes or the weakness of its commands” (quoted in
Gold 1983, p. 443). However, as Gold (1983) notes, it is precisely this vagueness and flexibility that “can produce over time an accretion of firm law” (p. 444).

8. Pre-1970 initiatives included efforts by the failed International Trade Organization (ITO) and a nascent Organization for Economic Cooperation and Development (OECD) that both focused on financial rule making that sought to set limits on states’ ability to infringe upon the free movement of capital. An exception to this is the long-standing role of the International Labor Organization (ILO) that traces its roots to the League of Nations and survives today as the preeminent IGO for labor rights coordination among states.

10. (Kline 1985, p. 68).
11. (Jenkins 2002, pp. 8–9). It is important to note that during this period of relative code paralysis in the UN, one UN effort was successful in crafting and gaining support that emerged from a different corporate scandal. This was the 1981 WHO/UNICEF International Code of Marketing Breast-Milk Substitutes. This multi-stakeholder effort (business, international organizations, governments) emerged in response to a finding that the marketing of reconstituted infant formulas in developing countries was leading to higher morbidity and mortality. This was ultimately due to the lack of clean water needed to reconstitute the formulas in many places it was being promoted. The code helped to curb, though not eliminate, the promotion of infant formula in these regions through voluntary company agreement (Sikkink 1986).
12. These are themes that remain prominent today among developing nations’ opposition to binding international codes.
16. “This Declaration sets out principles in the fields of employment, training, conditions of work and life and industrial relations which governments, employers’ and workers’ organizations and multinational enterprises are recommended to observe on a voluntary basis; its provisions shall not limit or otherwise affect obligations arising out of ratification of any ILO Convention.” Principle 7 of the declaration.
17. As described in Chapter 5 on Partnerships.
18. (Olson 1965; Cerny 1995).
19. (Chayes 1995, pp. 155–162) and (Mitchell 1998, p. 112) each finds that business reporting of its activities to comply with international governmental agreements are a mixture of transparency and opaqueness that range from good to spotty compliance. Mitchell, in particular, finds that transparency is even less in those areas that involve easily hidden behaviors such as human rights violations or environmental abuses (p. 126)—precisely the issues of concern here.
20. As of 2004, the United States ratified only 14 of the 162 active ILO Conventions. The United States has signed only two out of eight ILO core conventions. The United States also withdrew from the ILO from 1977 to 1980 in protest of its agenda.
22. The nature and makeup of this initial group is not publicly available from SAI. Request for information on the early stages and structure of the standard’s creation were not provided by SAI representatives.
23. In addition to the ILO standards, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child are borrowed from heavily.
24. The most visible of the CSR network actors working in this arena that has seen an exodus of stakeholders, has been the FLA who lost the centerpiece of its labor delegation (the U.S. AFL-CIO) over just such issues.
25. Currently, ISO is examining the creation of its own social responsibility standard. Though in its exploratory stages, ISO’s strong favor in the business community makes the advent of an ISO code a real threat for other CSR network efforts. It, however, faces great resistance if more diverse stakeholders are not included in its crafting, and it thus risks being seen as illegitimate.


29. Notable exceptions are CSR network groups that certify primary products. Examples include the Forest Stewardship Council and the Marine Stewardship Council that do track and certify forest and fishery products through the entire supply chain from harvest to retailer.


32. These include ALGI, BVQI (Bureau Veritas Quality International), CISE (Centro per l’Innovazione e lo Sviluppo Economico), CSCC (Cal Safety Compliance Corporation), DNV (Det Norske Veritas), ITS (Intertek Testing Services), RINA S.P.A (Registro Italiano Navale Group), TUV Asia Pacific., SGS, TUV Rheinland Hong Kong Ltd., Underwriters Laboratories.


36. According to the April 2000 SAI Advisory Number Four, “A certified organization which has no major or minor CARs [corrective action requirements] at its 6-month surveillance audit may skip the 12-month surveillance audit and have the next surveillance take place at 18 months. If that audit is CAR-free, the 24-month audit may be omitted.

   Similarly, if there are CARs at the 6-month surveillance but none neither raised nor open from the second (12-month) surveillance, the 18-month surveillance may be omitted. And, if the 24-month surveillance exhibits no major or minor CARs, the 30-month surveillance may be omitted.”

37. This according to the February 2001 SAI Advisory Number Four.

38. See Appendix H for the membership of both boards.

39. The one exception might be Ms. Tepper-Marlin of SAI who occupies seats on both boards.

40. Private correspondence with the SAI Secretariat.


42. For a fee, an additional Guidance Document is available that provides an interpretation of the standard’s nine elements and “interprets them according to the original intent of the international, multi-stakeholder group that drafted SA8000.” This Document “acts as a field guide to help auditors pay close attention to some of the important issues involved in the auditing process, and it also serves as an implementation guide for the companies interested in adopting the SA8000 system.”

43. More on the organization’s finances found in the section on governance capacity below.

44. Personal interview with a board member who preferred to remain unattributed.

45. Ibid.


48. Ibid., (http://www.cleanclothes.org/codes/01-08-codupdate.htm#a).


50. Ibid., Beyer interview.
51. Other board members seemed to share Beyer’s concern over the type of representation but only in part. Concern is mostly relegated to comments reflecting a desire to fill the absence of a representative from American organized labor. This is a group that has been hostile to the idea of private codes, instead preferring the codification of mandatory, verifiable worker rights via “social clauses” built into trade agreements among states.
52. (Waddell 2002, p. 28).
53. Ibid.
54. (Clapp 1998).
55. For more on tipping points see (Finnemore 1998, pp. 256–265).
59. Ibid., February 2003 Newsletter.
60. Ibid.
61. Wick (2003) identifies how some standards set higher expectations than do others.

Chapter Seven: A Public Role for Private Actors—Conclusions and the Road Ahead

2. (Reinicke 2000).
3. (Keohane and Nye 1989).
5. See (Chayes 1995, p. 22).
6. (Kovach 2003).
7. (Hirschland 2003).
8. As explained, these tools themselves have dubious effectiveness as change agents.
9. (Cutler 1999).
12. In many states, such institutions never existed in the first so blaming this squarely on the consensus would be incorrect. However, consensus prescriptions for smaller state interventions with markets have the effect of inhibiting institutional capacity building that would provide the protections and goods addressed by the CSR network actors here.
15. (Rothstein 2002).


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