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MOTION FOR A RESOLUTION

tabled by Mr PETERS

pursuant to Rule 47 of the Rules of Procedure

on 'social reports'

PE 80.515

The European Parliament,

Whereas

- an increasing number of large undertakings and groups voluntarily publish, in addition to their annual statement of accounts, a 'social report' intended to inform the public about the social aspects of the undertaking,
- the 'social report' is a business publicity medium, the content of which should supplement the information on business profitability contained in the annual statement of accounts by providing a survey of the socio-economic performance of an undertaking,
- this additional information regarding the social achievements of an undertaking can be of great interest to its employees, the public and the community in general if it does not deal solely with social benefits in the narrowest sense but describes the socio-economic role of the undertaking,
- the primary purpose of the 'social report' should in fact be to supplement the information on profitability in terms of yield and assets by giving some insight into the social activities and achievements of the undertaking,
- the content and form of the 'social report' has been a subject of discussion in all the Member States for some years now and all those involved recognize that it is desirable, in view of the close inter-relationship and concentration of undertakings at international level, to provide a uniform framework for this business publicity medium,
- in the Member States, where, with the exception of France which introduced a law on 'social reports' in 1977, there is no legal obligation to publish 'social reports', more and more large undertakings and groups are tending to devote particular attention to this information medium,
- the coordination of company law within the Community will be incomplete if it does not cover the 'social reports' which are already used as a publicity medium by many undertakings,
- there is a danger that unless uniform rules are laid down specifying the form of the 'social report' and applying equal conditions to all, this valuable medium of information may be used excessively by undertakings as a means of advertising and promoting an image for purposes of competition,

1. Considers that

- it would undoubtedly be useful to the undertakings themselves, their owners and employees and the general public if undertakings above a certain size were obliged to draw up and publish a statement of their activities in the social sphere ('social report') in addition to their annual statement of accounts,
- there should be coordination of existing provisions and practices as regards the preparation and publication of 'social reports', perhaps on the model of the French Law of 1977, so as to ensure that the many interests involved in this business publicity medium are satisfied and that the 'social reports' in all the Member States are designed to provide the same type of information and can be compared at international level,

2. Calls on the Commission

to submit to the Council of Ministers as soon as possible a proposal for a directive obliging all undertakings and groups above a certain size to draw up and publish 'social reports' and laying down uniform rules on the content and presentation of such reports.

Explanatory Statement

1. Over the last 20 years, an increasing number of large undertakings throughout the Community Member States have started to publish new information, in addition to the annual statement of accounts required by law, concerning in particular expenditure on labour in the broadest sense, i.e. the activities of the undertaking in the social sphere. This has led to the institution of the 'social report', a document drawn up voluntarily by large undertakings at their own discretion.
2. In 1977 France introduced a law on 'social reports' which states that from 1982 onwards every undertaking with 300 or more employees must publish a 'social report'. Decret No. 77 - 1354 of 8.12.1977 contains a list of the items which must be covered in the 'social report'. In the other Member States, discussions and consultations have been taking place for some years now in an attempt to work out a standard model for the content and presentation of 'social reports'.
3. In practice it can be seen that in its present form this 'social publicity' exercise not only varies from undertaking to undertaking but has also resulted to a greater or lesser extent in the social achievements of an undertaking being used as a method of advertisement. In many cases it is clear from the information and the manner of its presentation in the 'social report' that importance is attached to promoting a certain image. But the purpose of the 'social report' should in fact be to use socio-economic data to provide all those who are concerned or interested with information regarding the social role of the undertaking and its contribution to improving the general quality of life.
4. A further shortcoming of existing practice is the fact that as a rule employees and their representatives in the undertakings have no influence on the selection or presentation of the information included in the 'social report', even though it relates primarily to the labour aspect of the undertakings. There is a justified fear on the part of employees that this information medium is fairly one-sided in its concern for the interests of the management.

5. There can be no doubt as to the usefulness and indeed necessity of obtaining information from large undertakings regarding their activities and achievements in the social sphere. However, the term 'social' must be understood in a socio-economic sense since an undertaking is in fact not a social but primarily an economic establishment; nonetheless, the property interests of the undertaking and its economic aims must respect the social obligations of ownership and the requirements of environmental protection and the achievement of social goals (e.g. employment policy, regional policy).

6. It is in the general interest and in the interest of employees that, in addition to information concerning business profitability, large undertakings should also provide, on the basis of selected socio-economic indicators and statistics, information concerning their achievements and activities aimed at contributing to an improvement in the quality of life.

7. These socio-economic indicators might include:

- employment in the undertaking (total employment, fluctuations, etc.);
- incomes (wage systems, social benefits);
- working hours;
- organization of work (technical processes, safety measures, etc.);
- skills (levels of skill, training courses);
- information for employees and employee participation;
- economic data (e.g. productivity, net product);
- subsidies from public funds;
- environmental pollution (measures taken by the undertaking, compliance with legal standards, etc.);
- contribution to the achievement of social goals (regional investments, investments and employees, etc.).

These examples of indicators give some idea of the information which a 'social report' should contain. At a time when technical processes, technology and environmental concerns increasingly provoke conflict

within undertakings and among public opinion in general, it would be a great step forward if the large undertakings were to draw up and publish 'social reports' of a uniform type on the basis of a list of relevant indicators.

8. The idea of including 'social reports' in the coordination of company law within the Community, particularly insofar as it concerns the obligations of undertakings to provide information, seems an obvious one in the light of the above considerations. Coordination of the obligation to provide information in the business management field (particularly the fourth directive) should be accompanied by coordination of the obligations to provide socio-economic information. The numerous large undertakings which already publish 'social reports' have long been aware of the publicity value of such information and they and their employees should make their experience available for the discussions taking place at Community level.

