



INSTITUTO
ETHOS

EMPRESAS E
RESPONSABILIDADE
SOCIAL

BUSINESS AND SOCIAL
RESPONSIBILITY

***European Commission Regional Workshop on
“Sustainable Development and
Regional Trade Agreements”***

***San Jose, Costa Rica April 25-26, 2005
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There is no natural link between trade liberalization, economic growth poverty reduction and human development.

***Private Investment 72% only
10 countries***

***“terms of trade” are
deteriorating***

***Richest 20% = 60x income of
poorest***

Multilateral Trade Agreements and Regional Trade Agreements need to prioritize sustainable development.

**Sustainable development is one that
“satisfies present needs without
committing the capacity of future
generations of meeting their own needs”.**

Brundtland Comission, 1987



“Fair trade is a trading partnership based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers”.

IFAT – International Federation of Alternative Trade

- ✍ respect for workers' rights*
- ✍ promote dialogue and partnership*
- ✍ promote transparency and accountability*
- ✍ facilitate credit and financing*
- ✍ capacity building of producers*
- ✍ small/ disadvantaged producers*
- ✍ avoid/reduce middlemen*
- ✍ stimulate co-operative modes of production*

Fair trade currently represents only .01% of world trade (US\$ 400 million).

EC 80%
Germany
Swiss
UK
Holland

**US and
Canada
10%**

Crafts

Primary Goods

**Coffee, banana,
chocolate, tea**

**Challenge: turn it into a
widespread trade system**

- **attending global scale demands**
- **reaching major production chains and corporations**

CSR is a business strategy that, based on ethical values and principles of transparency establishes and continuously improves the quality of relations with all its stakeholders setting business goals compatible with sustainable development, respecting diversity and promoting equity.

- ***governance issues***
- ***internal public***
- ***environment***
- ***suppliers***
- ***consumers and clients***
- ***sorrounding community***
- ***government and society***

Company's voluntary commitment to a management system based on on ethical values and principles of transparency.



-  ***multistakeholders engagement***
-  ***local development***
-  ***dialogue***
-  ***economic, social, environment indicators***
-  ***transparency and accountability***



align business and society interests



- ✓ **30% of Brazilian GDP**
- ✓ **1 million jobs**
- ✓ **65% Brazilian companies**
- ✓ **35% transnationals**
- ✓ **37% Large 18% Medium 45% Small**
- ✓ **Ethos Indicators (450)**
- ✓ **590 business practices registered.**

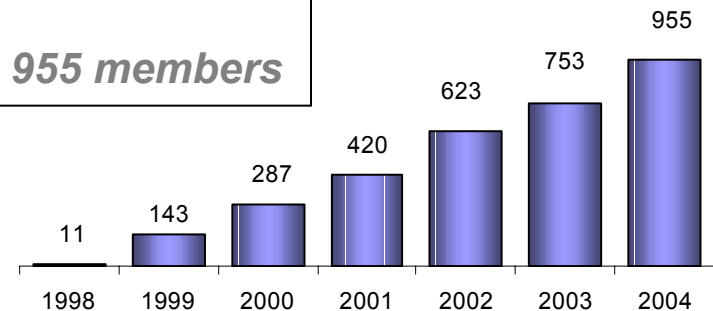
- ✓ **Nearly 200 co's publish social reports – many of them GRI guidelines.**

✓ **Some of Ethos Members:**

Banco do Brasil, Banco Itaú, Banco Real/ABN Amro, BankBoston, Belgo Mineira, O Boticário, Celpe, Cemig, Copel, Copene, CPFL, Credicard, CSN, CST, Grupo Pão de Açúcar, Grupo Orsa, Motorola, Natura, Nutrimental, Petrobrás, RBS, Suzano Papel e Celulose, Samarco, Serasa.

1998 11 members

2004 955 members



✓ **Sectorial Indicators:**

ABRADEE: energy (electrical power);

FEBRABAN: Banking;

IBRAM: Mining;

BRACELPA: Pulp and Cell;

ABIP: Bakery;

ABRASEL: Bars and Restaurants;

SEBRAE: small and micro co's .

✓ **Partnerships with 8 industrial federations, 33 trade associations and NGOs, 7 media channels, and 470 higher education institutions.**

✓ **CSR criteria to evaluate suppliers – Petrobras, CPFL, Belgo Mineira**

✓ **CSR criteria screening credit and investment – ABN Amro Bank, Itau**

✓ **Pension funds adopt investment guidelines and criteria that prioritize companies with CSR.**

✓ **Establishment of the “Novo Mercado” (New Market) by the São Paulo Stock Exchange - BOVESPA**

Global Compact is a minimum platform of fundamental values and principles for disseminating good corporate practice.

***About 200
members in
Brazil***

- ✓ voluntary commitment***
- ✓ transnational corporations***
- ✓ based on universally accepted principles***

ISO – International Standards Organization is preparing to issue ISO 26000, a set of business management guidelines on social responsibility aiming at improving processes and results along the production chain.

- ✓ voluntary committment***
- ✓ wider stakeholders engagement***
- ✓ developing countries representation***
- ✓ Recognized by WTO***

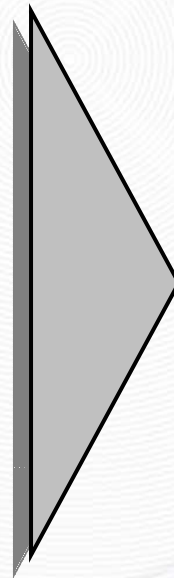
Global Governance + Business Transactions

Ethics

Transparency

**Responsible
Management**

Fair Markets



- ✓ ***CSR and fair trade are mutually reinforcing strategies***
- ✓ ***Share common set of principles and values***
- ✓ ***Contribute to promote sustainable global trade***

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