



SANDLER, TRAVIS & ROSENBERG, P.A.
An International Trade and Business Practice

Corporate Social Responsibility: What is it and what does it mean for Exporters and Importers?

International Trade Association of Greater Chicago
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Overview

Terms

CSR and consumers

CSR and the government

International CSR

Summary: what is to be done?



1. Social Responsibility:

- managing “externalities”
- contributing to social/environmental goals

2. Corporate:

- private vs. public sector

3. The “triple bottom line”

- new models for business



LOHAS Consumers

Where do products come from?

What do products have in them?

How are products made?



The LOHAS CONSUMER

Verified Green



L ifestyles
O f
H ealth
A nd
S ustainability

§ The NGO-government continuum

§ CSR and state law

§ Today's CSR is tomorrow's law:

- ✓ Lacey Act

- ✓ Jade Act

- ✓ Conflict Minerals

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Case Study I: TVPRA

Executive Order 13126:

- Signed in June 1999 - list of countries and products which may be produced by forced or indentured child labor.
- Final list released on July 20, 2010 - 22 countries and 29 products.
- Federal contractors that supply products from countries are required to certify that they have made good faith effort to determine if child or forced labor was used to produce items.

TVPRA (Trafficking Victims Protection Reauthorization Act):

- First passed in 2000 and reauthorized in 2005 and 2008. List of goods which may be produced by child or forced labor..
- List of countries and products published September 2009.



Case Study I: TVPRA (Continued)

TVPRA and Agricultural Products:

- 2008 Farm bill - Consultative Group to eliminate the use of child and/or forced labor in imported agricultural products.

TVPRA and Customs Reauthorization Bill (Baucus - S. 1631):

- The bill contains modification of Section 307 of the Tariff Act of 1930. Key elements of the modifications:
- Prepare and produce list of *producers* (names and countries)
- Expands scope of prohibited goods to include goods with trafficked labor in addition to child and forced labor.



Case Study II: FTC “Green Guides”

General Environmental Benefit.

Certificates and Seals of Approval

Degradable

Compostable

Recyclable

“Free of”

Non-toxic

Made with Renewable Energy

Carbon Offsets.



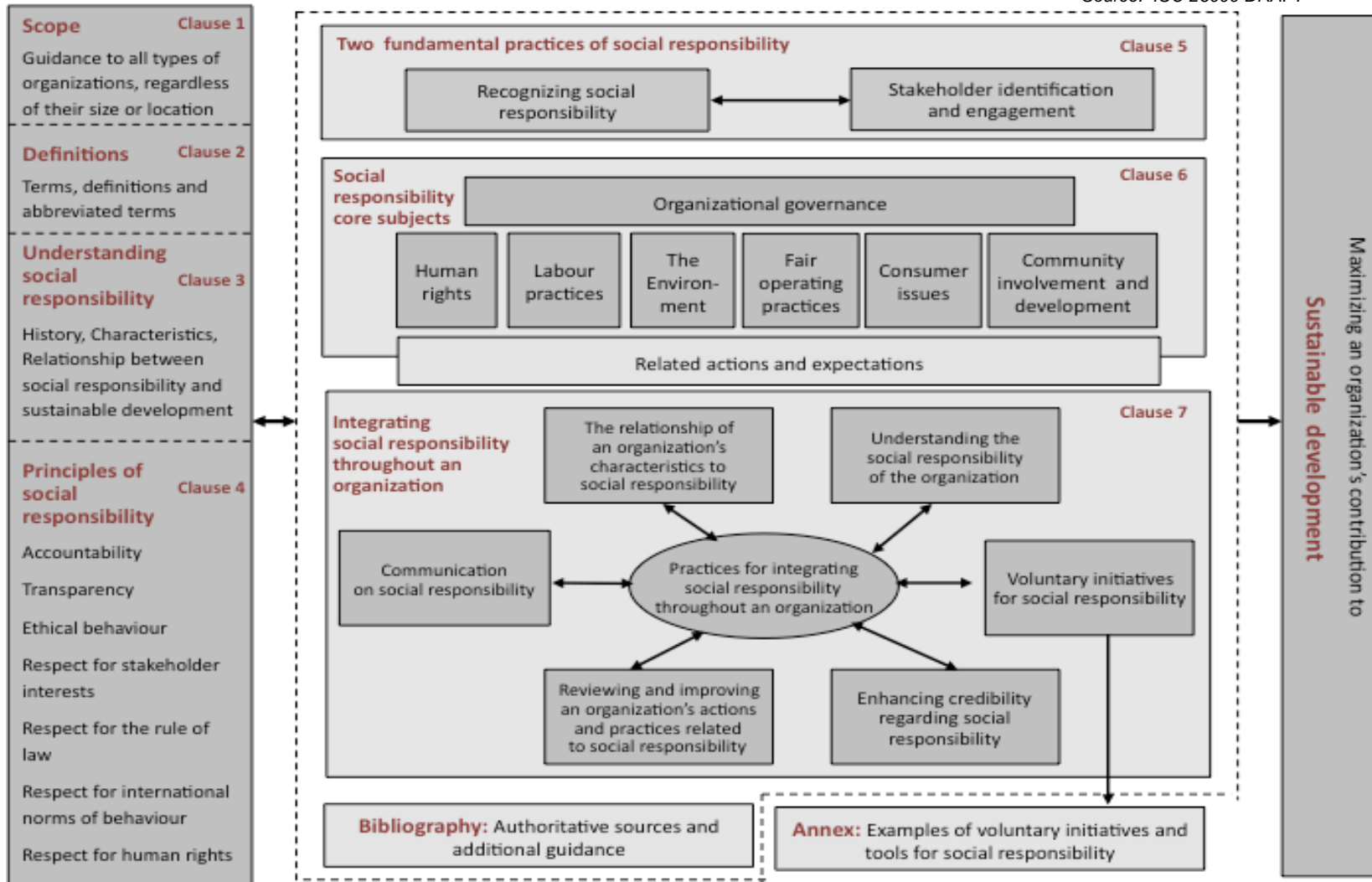


“Maximizing an Organization’s Contribution to Sustainable Development”

Core Subjects:

- ✓ Human Rights
- ✓ Labor Practices
- ✓ Environment
- ✓ Fair Operating Practices
- ✓ Consumer Issues
- ✓ Community Involvement and Development

Source: ISO 26000 DRAFT





ISO 26000 – What does it do?

“Guidance standard” for “social responsibility”

Governments, companies and NGOs

Timeline:

- deadline for comments: September 2010
- publication date: November 2010

Some countries may adopt ISO 26000 as law (e.g. Netherlands, Portugal, Sweden)



Summary

What is to be done?

- ✓ Know your market(s) and your customers
- ✓ Be (a)ware of the rules of the road
- ✓ Ensure communications between Marketing and Compliance
- ✓ Tell a good story



Use CSR to Your Advantage!

Pre-emption: Regulate yourself before the
government regulates you
Happy workers = good workers
Conservation = efficient production





Thank you!



EDWARD STEINER
Director, Trade and Legislative
Affairs

[Washington, D.C.](#)

Tel: (202) 216-9307

Fax: (202) 842-2247

esteiner@strtrade.com