

The issue of the international social commitments of multinationals

Study seminar on transnational agreements

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The reasons of the agreement of September 13, 2005

1° To protect Arcelor's reputation as a social responsible company

⇒ A good image of the company facilitates the understanding of its policy by the public opinion and the integration of the engaging parties in its strategy

2° To support Arcelor's ambition to become a world player

⇒ The international social commitments of the company facilitate its establishment in the new countries by making it as a factor of economic and social development

The specific content of the commitments by ARCELOR

- It is a heavy industry: polluting materials, high temperatures, dangerous process, which can question more easily the responsibility of the producer
- A diverse presence of the Group, on a legal plan (dominated subsidiaries, the other subsidiaries, subcontractors, suppliers) and from the point of view of the activities (extraction, harbour activities, foundries, steelworks)
- A presence in more than 60 countries, with different cultures, levels of developments and legal systems

The factors of evolution of the Group

- Mergers and acquisitions of companies
 - ⇒ The pressure of the competition urges the steel makers to seize all the opportunities of acquisitions, in countries where the fundamental social rights are more vulnerable
- The evolution of techniques
 - ⇒ It leads us to introduce new materials, new process, and thus to take new risks that the public opinion refuses in the name of the principle of precaution

The legal stakes in the agreement

- Nothing in the books!
- What is the reach of our commitments?
- Are we going to be asked to respect them?
- Will we be able to respect them?

What is the reach of our commitments?

- The agreements integrates the ILO Conventions

⇒ Which are intended for States...

⇒ Which did not ratify them all ...

⇒ And which have other serious means to apply them

- The national legislations are very ill-assorted and can be contradictory to our international commitments

Are we going to be asked to respect them?

- The increasing weight of the NGO
- The increasing intervention of the national judges (ATCA...)
 - ⇒ The VILVOORDE Case
 - ⇒ The NIKE Case
- The instrumentalisation of the international commitments of multinationals to mitigate the deficiency of States

Will we be able to respect them?

- What can be the influence of the centre of the Group (the parent company) on the suburb (subsidiaries, subcontractors, suppliers)?
- What will be the influence of the competition?
- What will be the weight and the intervention of the States in which we are implanted?

Over the legal questions

- MNEs are asked to contribute to the economic and social development of countries where they are established

⇒ They take up the challenge