


The European regulation of corporate social responsibility: The role of beneficiaries' intermediaries

David Monciardini 

University of Exeter Business School, Department of Science, Innovation, Technology, and Entrepreneurship (SITE), Exeter, UK

Guido Conaldi 

University of Greenwich Business School, International Business and Economics, London, UK

Abstract

Intended beneficiaries have an undeniable relevance to regulation. However, current research has focused mainly on the two-party relationship between rulemaking and rule-taking. We attempt to fill this gap by exploring the formal and informal roles that beneficiaries' intermediaries played in co-creating European Corporate Social Responsibility (CSR) rules and associated practices between 2000 and 2017. By linking recent conceptualizations of regulatory intermediaries with the literature on critical political CSR, we offer a more dynamic and contextualized understanding of the roles of beneficiaries' intermediaries. Specifically, we identify six micro-dynamics through which they influenced the regulatory process. Notably, our findings highlight how the convergence of interests between three groups of beneficiaries' intermediaries – the Non-governmental organization–Investor–Union nexus – had a key role in reshaping CSR rules. We conclude that, in the European context, stronger and better-coordinated beneficiaries' intermediaries are crucial in order to achieve more effective corporate conduct regulation.

Keywords: corporate reporting, corporate social responsibility, EU regulation, regulatory intermediary, responsible investment.

1. Introduction

The question of how to devise effective rules for “responsible” business conduct is as problematic and topical as ever. There is widespread recognition that most global social and environmental problems – from human rights violations to climate change – cannot be tackled without the involvement of business and then, only using traditional government and state-centered regulatory initiatives. However, there is also growing dissatisfaction with existing private governance initiatives that lack strong mechanisms of enforcement and monitoring. Several studies have shown how multistakeholder and private regulatory initiatives have been captured by dominant corporate interests failing to serve the “common good” and hold corporations more accountable (Dingwerth & Eichinger 2010; Moog *et al.* 2015). As a result, particularly after the onset of the 2008 global financial crisis and due to growing awareness of social and environmental issues related to global production, many have invoked a “political turn” in corporate social responsibility (CSR) debates (Scherer & Palazzo 2011).

This paper aims to contribute to this debate, focusing on the overlooked perspective of business stakeholders whose interests CSR rules and policies are meant to protect and enhance. Our starting point is that emerging scholarship on political models of corporate responsibility generally agrees that stakeholder participation and empowerment are necessary conditions to effectively and legitimately regulate corporate business conduct. However, proposals to develop models of “stakeholder democracy” (Matten & Crane, 2005) or “deliberative democracy” (Scherer & Palazzo, 2008) mostly take for granted the capacity of corporate stakeholders to fill the “democracy gap and make corporate decisions more accountable” (Scherer & Palazzo 2011, p. 912). We argue

Correspondence: David Monciardini, University of Exeter Business School – Penryn, G11, SERSF Building, Cornwall, TR10 9EZ, UK. Email: d.monciardini@exeter.ac.uk

Accepted for publication 13 February 2019.

that recent developments in research on regulatory intermediaries (Abbott *et al.* 2017) and, in particular, on the role of intended beneficiaries in transnational regulatory processes (Koenig-Archibugi & Macdonald 2017), can shed light on the co-construction of more effective rules for global business. As Brès *et al.* (2019) point out in this volume, intermediaries are key actors in this process, playing both formal and informal roles in shaping what “responsible” or “accountable” business means in the first place, thus influencing the content, interpretation, and application of transnational regulations and codes for business conduct. Extending this line of research, we investigate to what extent changes in the capacity and coordination of beneficiaries' intermediaries (BIs) involved in the regulatory process affect the co-construction of CSR regulation.

We focus on the development of a European regime of CSR policies aimed at enhancing corporate accountability (Voiculescu *et al.* 2007; Newell 2008;). Corporate accountability can be defined as the ability of those affected by a corporation to hold this organization to account (Utting 2008). Thus, it draws attention to the power and role of beneficiaries and their intermediaries, their capabilities, and coordination in all stages of the regulatory process. Accountability mechanisms include the use of multistakeholder initiatives as a means to continually develop standards and procedures; “naming and shaming” companies through watchdog activities; using experts and critical research to both expose corporate misbehavior and assess the effectiveness of existing regulatory initiatives; in-depth social auditing or investigation of complaints; and using market mechanisms or corporate governance structures to press for changes and reforms.

Drawing on Koenig-Archibugi and Macdonald, we define beneficiaries as “the groups whose interests the rules and policies are ostensibly meant to protect, and whose protection is often invoked to justify new forms of transnational regulation” (2017, p. 37). However, as Koenig-Archibugi and Macdonald underline, “the question of whether they actually benefit from rules and regulation requires separate and careful analysis” (2017, p. 37). Abbott *et al.* define regulatory intermediaries as “any actor that acts directly or indirectly in conjunction with a regulator to affect the behaviour of a target” (2017, p. 19). Building on this literature, BIs can be understood as intermediaries that facilitate the development, monitoring, and implementation of rules, claiming to perform – formally or informally – some representative function in relation to the intended regulatory beneficiaries within a specific regulatory arrangement. Obviously, the veracity of such a claim of representation needs to be verified case by case, as the link between beneficiaries and their intermediaries varies in strength. For example, trade unions formally represent their beneficiaries. Other “self-appointed” BIs, such as rating agencies and non-governmental organizations (NGOs), have a more tenuous link to the interests they claim to represent. For the scope of this paper, we limit our attention to actors with a plausible claim to representation.

The study presents three contributions to the existing literature. First, we maintain that excessive focus has been given to the perspective of regulatory targets (typically global companies): their (instrumental) motivations for responsible behavior; their relation with regulators; and the role of targets' intermediaries (auditors and accountants). Drawing on Koenig-Archibugi and Macdonald (2017), we complement this perspective by focusing on the overlooked roles of NGOs, unions, responsible institutional investors, and responsible finance as BIs. Secondly, we link research on regulatory intermediaries to the literature on critical political CSR (PCSR), including power struggles and temporality in the account of CSR regulation (Shamir 2004; Mäkinen & Kourula 2012; Salles-Djelic & Etchanchu 2017). This processual approach (Levy *et al.* 2016) makes the rulemakers– rule-takers–intermediaries (RIT) model (Abbott *et al.* 2017) more dynamic, helping to explain regulatory changes as the result of power shifts. Lastly, we argue that the involvement of stakeholders in the regulatory process is an important but not sufficient condition for effective regulation of corporate conduct. Our analysis shows that more attention should be paid to cooperation and capacity to perform intermediary roles. In particular, the research explores the emergence of a closer cooperation between NGOs (N), Investors (I), and Unions (U) – the NIU nexus. One of the key findings to emerge from this study is the strong interplay between these three groups of BIs, both in the phase of regulatory development and adoption, and their potential for improved regulation. Research and policy implications are theorized and discussed.

The paper is organized as follows. First, we present our theoretical framework, combining the functional explanation of CSR that characterizes the RIT framework with the literature on critical PCSR. Then, we discuss our research methodology and analytical framework. Our empirical data on BIs' interactions and the evolution of the European regime of CSR is followed by discussion and interpretation of our findings.

2. Beneficiaries' intermediaries (BIs) in the European regulation of corporate social responsibility (CSR)

This study builds on recent research by Abbott *et al.* (2017) on regulatory intermediaries. While regulation has been traditionally understood as a two-party relationship between rule-makers (R) and rule-takers (T), they theorize the major and varied roles of intermediaries. They understand intermediaries as “a go-between, whose presence necessarily makes some aspects of regulation *indirect*, as the intermediary stands between the regulator and its target” (Abbott *et al.* 2017, p. 9). This framework provides a helpful starting point to understand the roles of intermediaries in the regulation of CSR. Corporate responsibility lies at the heart of the regulatory governance perspective that underpins this RIT model (Levi-Faur 2005; Bartley 2007; Vogel 2010). However, we argue that the conceptualization of intermediaries implied in the RIT model is still too centered on the relationship between the regulator and its target ($R > I > T$). Other conceptualizations of regulatory intermediary roles remain unexplored. In fact, intermediaries can also operate at the junction between rule-makers (R) and intended beneficiaries (B) in what could be called the RIB model ($R > I > B$). Similarly, major regulatory intermediary roles can be performed at the junction between beneficiaries (B) and rule-takers (T). One may call this the BIT model ($B > I > T$). Building on Koenig-Archibugi and Macdonald's (2017) proposal to extend the RIT model to beneficiaries, we consider these relationships together (see Fig. 1). These extensions can help us better understand multiple forms of intermediation and the dynamic interplay among all of the regulatory actors.

Koenig-Archibugi and Macdonald (2017) offer a useful descriptive typology of all of the possible relationships between beneficiaries and regulators, intermediaries or targets: separation (complete disconnection); identity (performing R, T, or I roles); and representation (R, T, or I act on behalf of beneficiaries). Their conclusion stresses that how beneficiaries are included in the regulatory process matters. It can influence what rules are made, in whose interest they are made, and how these rules are interpreted and implemented.

In order to go beyond the descriptive typology offered by Koenig-Archibugi and Macdonald (2017), our aim here is to combine the more functional arguments of the RIT framework with the insights offered by critical studies of PCSR (see Shamir 2004; Mäkinen & Kourula 2012; Levy *et al.* 2016; Salles-Djelic & Etchanchu 2017). Combining the two allows us to derive some conjectures about the relative position of beneficiaries and the roles of BIs by taking into account the power structure inherent to the regulatory field.

The question of how beneficiaries are included in the regulatory process is central in the current PCSR debate. Some scholars maintain that effective corporate conduct regulation can emerge through global and inclusive forms of “deliberative democracy” where corporations and civil society organizations have equal representation (Scherer & Palazzo 2011). Other scholars are skeptical about this view, stressing the fact that persisting power asymmetries will lead to the exclusion of affected stakeholders' voice from negotiating arenas (Banerjee 2008; Whelan 2012). Thus, how NGOs, despite their limited resources, have been able to achieve substantial influence over corporate practices, as well as governance mechanisms, remains a puzzle in the PCSR field (Levy *et al.* 2016, p. 4). We aim to contribute to this debate, drawing, in particular, on Salles-Djelic and Etchanchu's (2017) account of neoliberal CSR. The authors argue that historically, beneficiaries' position appears in many ways fragile and problematic. Expanding the firm's operations from local to global reach increased the difficulty of identifying who exactly the intended beneficiaries of CSR policies are. In the past, they were workers, families and communities typically located in a relatively limited regional or national territory. Today, these policies address the “global environment” or the “global common good,” aiming to benefit a wide range of faceless stakeholders (consumers,

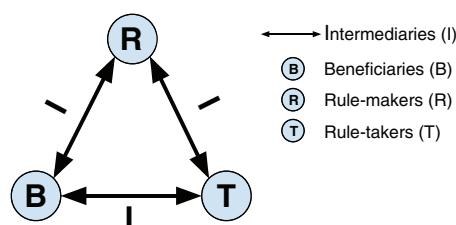


Figure 1 Extended RIT model to include beneficiaries.

employees, communities, etc.). As a result, beneficiaries are increasingly virtualized, dispersed, and fragmented actors that struggle to directly participate in CSR regulatory processes (Fransen & Kolk 2007; Derry 2012).

In addition, the neoliberal ideological framework that underpins contemporary CSR regulation has been characterized by a trend toward shareholder value maximization and marketization that has further weakened beneficiaries' position (Salles-Djelic & Etchanchu 2017). Shareholder-centered approaches based on agency theory narrowed corporate governance policies down to the dyadic relationship between managers and shareholders (Soederberg 2010). Particularly in Europe, this marked a departure from post-war "public" models of corporate governance where organized labor and other stakeholders were consulted, represented, or somehow taken into account (Ireland & Pillay, 2010; Kinderman 2012). Marketization refers to both market ideologies and market-oriented reforms (Salles-Djelic 2006) that resulted in the dominance of the so-called "instrumental CSR: do well by doing good" (Mäkinen & Kourula 2012). As the market supposedly rewards best practices and penalizes the worst, this ideology assumes that regulation and governance mechanisms are superfluous. Market mechanisms will lead to the diffusion of best social and environmental business practices and innovations. In effect, this has resulted in the promotion of corporate self-regulation, reducing the role of the state and other stakeholders and leaving greater discretionary power to corporations and managers. From a beneficiaries' perspective, marketization meant a depoliticized approach (Shamir, 2004), where they became indiscernible from targets. Corporate responsibility was depicted as a win-win situation that would ultimately benefit companies as well as all their stakeholders.

On the basis of this contextual analysis, our hypothesis is that the involvement of strong and coordinated BIs is necessary for effective CSR regulation. Dispersed, fragmented, and virtualized beneficiaries are structurally unable to directly affect the development, interpretation, and application of rules. This conjecture is supported by preliminary studies of beneficiaries' roles. For instance, in the field of food safety regulation, Havinga and Verbruggen (2017) affirmed that beneficiaries are "prominent by their absence." Similarly, referring to non-state regulation of labor conditions, Koenig-Archibugi and Macdonald noted that beneficiaries' relationship with intermediaries is characterized by "high levels of separation" (2017, p. 50), adding that when it comes to rulemaking processes, there is "a tendency to exclude beneficiaries from [direct] participation in the governance of transnational regulatory schemes altogether" (2017, p. 47). This hypothesis requires investigation not only of the lack of inclusion of beneficiaries and their representatives in the CSR regulatory process but also of their organizational capacity to influence targets and regulators.

The weakness of the beneficiaries' side is particularly problematic in the area of corporate accountability. In fact, this regulation works indirectly and requires active beneficiaries to be effective. Accountability regulation – such as corporate social and environmental auditing and disclosure – provides a way to:

[I]ncrease the flow of information to the parties affected by corporate activity, other market actors, and civil society groups, who may then rely on this information, for example, in deciding whether to buy the company's products or to mount a media campaign against it. (Parkinson 1996, p. 18)

This indirect regulatory strategy is theoretically raising the cost of corporate "irresponsible" behavior while rewarding "responsible" companies. In reality, if the information is not used or useful, or if users simply do not have the organizational capabilities to hold corporations accountable, the effect on corporate conduct is very limited. Actually, and rather paradoxically, indirect regulatory strategies can be of more benefit to regulatory targets than intended beneficiaries. As also illustrated by Fransen and LeBaron (2019) in this special issue, there is evidence that supposedly "independent" intermediaries (e.g. professional accountants and auditors) construct voluntary social auditing standards and reporting frameworks that are used by companies as a self-referential and legitimizing tool (see also Bebbington *et al.* 2014; LeBaron *et al.* 2017). This "neutralization" of the beneficiaries' side in the regulation of CSR has become natural and is widely taken for granted. As Cooper and Owen noted, the prevailing approach to CSR reporting failed "to address the issue of effective utilization of information by recipients, and associated power differentials [...] if accountability is to be achieved stakeholders need to be empowered" (2007, p. 653). Similarly, Greenwood and Kamoche (2013) warned that deficient stakeholder involvement renders social auditing ineffective for governance as either a stakeholder account or a strategic management system.

Recent European CSR policy developments that will be discussed in the following sections have made re-assessment of the position of BIs in this regulatory field and ascertainment of which outcomes have been produced by their pressure and engagement paramount.

3. Case selection, methods, and data analysis

CSR regulation can take different forms (Voiculescu *et al.* 2007; Vogel 2010; Bianculli *et al.* 2014; Brown & Knudsen 2015). While most of the literature on regulatory intermediaries has dealt with non-state regulation, we decided to focus on European Union (EU) regulation of CSR transparency and reporting for three main reasons. First, reporting has a special place because it is one of the few areas of mandatory CSR regulation. Second, European public regulation of CSR is on the rise (Knudsen *et al.* 2015) and recent changes call for renewed attention to the role of public regulation (e.g. 2014 EU Directive on non-financial reporting; 2015 UK Modern Slavery Act; 2017 EU Shareholder Rights Directive). Lastly, transparency rules can be seen as a “*first port*”¹ for broader changes in the balance of power between targets, regulators, and beneficiaries. As Newell (2008) points out, they implicitly outline the division of rights and responsibilities among civil society, states, and market actors and some of the means for achieving them.

We adopt a “process theory” perspective to empirically investigate the role of beneficiaries’ intermediaries in this emerging European regime of CSR regulation (cf. Langley 1999; Pierson 2004). This research methodology pays particular attention to time ordering of the contributory events as a way of capturing the key factors that explain the role of different actors in shaping policy and regulatory changes. The research strategy consists of a “causal reconstruction,” which links initial conditions to observable outcomes (cf. Mahoney 2001; Mayntz 2004).

Using this exploratory and reflexive approach, we identified the beneficiaries and BIs in European CSR policies on the basis of data analysis, particularly EU official policies and documents. Rather than being an aprioristic decision, our analytical framework has gradually emerged from the data collection.

The study builds on a three-year research project on the driving forces behind major changes in EU reporting regulation (2010–2013) that identified two “umbrella organizations” – the European Coalition for Corporate Justice (ECCJ) and Eurosif – as central players in shaping a series of European CSR reforms. Table 1 briefly introduces these. The two organizations are spread across different levels of governance: transnational players (e.g. Amnesty International); national multistakeholder platforms (e.g. UKSIF, the UK branch of Eurosif; CORE, the UK branch of ECCJ); and individual members operating in one or several countries (such as VigeoEiris).

Table 1 ECCJ and Eurosif: Features, origins and structure

	Eurosif	ECCJ
<i>Key features</i>	The leading pan-European network of SIFs active in France, Germany, Italy, Spain, the Netherlands, and the UK.	The leading European coalition bringing together NGOs, trade unions, consumer organizations, and academics to promote corporate accountability.
<i>Origins & objectives</i>	Founded in 2001 by national SIFs, supported by the European Commission, it is now funded by its members. Aims to promote SRI and the integration of ESG into investment decisions.	Founded in 2006 following the failure of the EMSF to bring a united civil society voice to the EU debates on corporate accountability. Financially supported by its members and some private foundations.
<i>Governance & structure</i>	Following remarkable growth, its governance changed (2015). Under this new situation, when a national SIF exists locally, Eurosif membership stems from membership of a national SIF. It is organized through an Exec Team and a Board composed of SIF representatives.	Coordinates 21 member groups representing over 250 organizations from 15 countries. It is run by a coordination office in Brussels and a Secretariat. Individual CSOs can only become direct members of ECCJ if no relevant platform exists in their country.

CSOs, Civil Society Organizations; ECCJ, European Coalition for Corporate Justice; EMSF, European Multi-Stakeholder Forum on CSR; ESG, environmental, social, and governance; EU, European Union; SIF, sustainable investment forum; SRI, socially responsible investment; UK, United Kingdom.

Therefore, they can be understood as intermediaries of intermediaries or second-order intermediaries (Maggetti *et al.* 2017).

Considering the large number of actors involved in the EU regulatory process, the two organizations provided an entry point to investigate intermediation at different levels of governance and a starting point for our research.

3.1. Data collection

The research covers the period from 2000 to 2017 and is based on three main sources of data:

- 1 Content analysis of the responses received by the European Commission (EC) in two public consultations held in 2011 and 2016 concerning the construction and adoption of the EU Directive on non-financial reporting. The data were used to understand the position and roles of the different actors in the CSR regulatory field and helped to structure some preliminary hypotheses on the connections between the two umbrella organizations and their policy preferences. This analysis confirmed the key *intermediary role* played by these organizations and their members.
- 2 Forty-two semi-structured in-depth interviews with senior representatives of the two umbrella organizations, their members, experts, and regulators completed in two phases: 20 (2010–2013) and 22 (2016–2017).² In particular, the interviews offered insights on behind-the-scenes informal relations between the groups of actors, their internal organization, and their role in the construction and monitoring of CSR regulation.
- 3 A longitudinal qualitative content analysis of documents that cover the period 2000–2017. The interviewees provided some of the documents; others are publicly available (press releases, conferences, publications). The document analysis has provided a dense understanding of cumulative institutional changes and a better comprehension of the interplay between different groups of actors in shaping the CSR regulatory process.

3.2. Data analysis

We organized the data into condensed chronological accounts that mirror major shifts in the EU approach to corporate governance and accountability. Transnational regulation varies in intensity and is characterized by cycles (Braithwaite & Drahos, 2000; Halliday & Carruthers, 2009). Typically, each cycle starts when a window for policy change opens (Kingdon 1984). Here we identified two cycles of European reforms related to CSR (2000–2006 and 2009–2017) that allowed us to more systematically generate some hypotheses and questions. Thus, for each period considered, it soon emerged that the configuration of financial service providers, unions, and NGOs' roles had also changed.

The data were thematically coded. These themes were aggregated into four major themes through winnowing (Ravitch & Carl 2015): the organizational and epistemic capabilities of BIs; the level of collaboration among them (coalitions); their active participation and inclusion in rulemaking and implementation processes; and contextual changes in the policy domain and ideological frame. Table 2 provides an overview of the shift from cycle I to cycle II.

While corporate accountability intermediaries are often called “third parties” and “independent” auditors, in our analysis we established an analytical distinction between BIs and targets' intermediaries. The activities of the latter are financed and supported by issuers of social and environmental reports, while intermediaries on the beneficiary sides are funded by the various users of such information.

As already mentioned, for the scope of this paper we focus on actors that self-identify themselves as intermediaries and are widely recognized as such, without assuming anything about the legitimacy of these claims. Nonetheless, we are aware that intermediaries claim to represent certain interests and it is easy to forget that they are often relatively small transnational elites, closely connected to each other but, sometimes, loosely related or even completely detached from the groups they claim to represent (Salles-Djelic & Quack 2010). On the other hand, intermediaries' power comes from these constituencies and it is often facilitated by their *official* and/or *formalized* recognition by regulators (Brès *et al.* 2019).

Table 2 Two cycles in the EU regime of CSR

	Cycle I (2000–2009)	Cycle II (2009–2017)
<i>Contextual frame</i>	“Business” vs. “anti-business”	“Short-term” vs. “long-term” business
<i>BIs inclusion in rulemaking</i>	Formal engagement in EMSF	Informal, multi-level engagement
<i>Level of BIs collaboration</i>	Disengagement and division	NIU coalitions: “We add to each other’s business case”
<i>BIs regulatory capability</i>	Fragmented initiatives to monitor targets. Limited capacity to influence rulemaking	More structured and integrated in all regulatory tasks (ANIME)
<i>Regulatory outcome</i>	Regulatory capture by targets	Adoption of a series of CSR reforms

ANIME, agenda setting, negotiation, implementation, monitoring, and enforcement; BI, beneficiaries intermediaries; CSR, corporate social responsibility; EMSF, European Multi-Stakeholder Forum on CSR; EU, European Union; NIU, Non-governmental organization–Investor–Union.

4. Analysis and findings: Non-governmental organizations (NGOs), investors, and unions co-constructing the European CSR regime

In this section, we describe the role of BIs in co-constructing the meaning of European rules and associated practices related to “corporate accountability” as it emerged from our data, beginning with a summary of our findings. Our longitudinal study identified two regulatory cycles, corresponding to changes in the EU politics of CSR, as well as in the roles of NGOs, unions, and socially responsible investment (SRI) as BIs.

The first cycle – starting around 2000 – was based on the idea of deploying a more reflexive and decentralized multistakeholder approach to hold global corporations accountable for their conduct. Key steps in this process were the definition of corporate responsibility (European Commission 2002) and the creation of a European Multi-Stakeholder Forum on CSR (EMSF), active between 2002 and 2004. As already analyzed in the literature, this regulatory process failed to deliver any major progress and was eventually manifestly captured by the regulatory target, large companies (de Schutter 2008; Ungericht & Hirt 2010; Fairbrass 2011; Kinderman 2013, 2016). The second cycle followed the outburst of the global financial crisis – around 2009 – and has been characterized by a stronger willingness to move away from business self-regulation (Knudsen *et al.* 2015). Between 2009 and 2017, it resulted in the introduction of CSR norms at the EU level (2013 anti-corruption EU Directive requiring some companies to publish country-by-country reports on payments to governments; 2014 EU Directive on disclosure of non-financial information; 2017 EU Shareholder Rights Directive that also promotes long-term and responsible finance). Similarly, stronger CSR requirements were introduced by some member states, such as France (2017 “devoir de vigilance”) and the UK (2015 Modern Slavery Act). At the level of global governance, major breakthroughs include the endorsement by the United Nations (UN) Human Rights Council of the UN Guiding Principles on Business and Human Rights (2011) that led to the revision of the Organisation for Economic Co-operation and Development (OECD) Guidelines on Multinational Corporations (2011), introducing the concept of corporate due diligence for human rights violations into the CSR policy debate.

Our study builds on existing analyses of EU politics of CSR regulation in two ways. While the first regulatory cycle has already been extensively analyzed (de Schutter 2008; Ungericht & Hirt 2010; Fairbrass 2011), we expand this picture considering the developments that have emerged since 2009. Moreover, by drawing attention to the key role of BIs, we complement existing explanatory frameworks, focusing in particular on the role of targets and their intermediaries (e.g. BusinessEurope and CSR Europe) (Kinderman 2013, 2016, 2019; Brown & Knudsen 2015).

Analyzing the data regarding the various phases of the European regulation of CSR from the perspective of BIs, we have been able to explore the micro-processes that have characterized both the first and the second cycle. Overall, we have identified six interconnected micro-dynamics. For cycle I, they are: CSR window of opportunity, BIs are weak and divided, and regulatory capture by targets. The micro-dynamics in cycle II are: a new window of opportunity, NIU coalition building, and the evolution of BIs’ roles. While the literature has predominantly focused on the inclusion/exclusion of stakeholders in the process of defining CSR rules (Scherer & Palazzo 2011;

Mena & Palazzo 2012; Moog *et al.* 2015), we maintain that the inclusiveness hypothesis is an important but not sufficient condition for effective corporate conduct regulation. Our analysis shows that stakeholders were included in the regulatory process in both regulatory cycles. Thus, we argue that the regulatory failure that characterized cycle I, as well as the regulatory progress that emerged during cycle II, can be explained to a large extent by changes in BIs' cooperation and capacity to perform intermediary roles at the various stages of the regulatory process.

4.1. Regulatory cycle I (2000–2009): Multistakeholder governance and regulatory capture

Briefly considering the situation before 2000, the European approach to regulating responsible business conduct was mainly through tripartite social dialogue (Regini 2001). Analyzing it through the lens of intermediation models, this regime was based on the activism of targets' (business confederations) and beneficiaries' (union confederations) representatives. Negotiations between employers and workers were mediated through collective, sectorial, or company-level agreements that were legally enforced by the State. Organized labor was the main beneficiary, formally included in all intermediation roles, such as agenda setting, negotiation, implementation, monitoring, and enforcement (ANIME) (Abbott & Snidal 2009), while other actors, such as investors and civil society, had a secondary role. Therefore, the rules focused on employment and industrial relations. Considering the ideological context underpinning this model, we can refer to the "historical compromise" or "social bargain" between labor and capital that emerged after WWII and underpinned European welfare state policies for decades (1960s–1990s) (Gourevitch & Shinn 2005; Pagano & Volpin 2005).

According to our interviews with EC officials, around the mid-1990s "the system was frozen. (...) at the time the employers association was kind of a monolith against any progress."³ Therefore, EU policymakers started to introduce a more decentralized approach to regulate corporate conduct using variable forms of partnership, not only with employers and unions but also with emerging forces, in particular, civil society and institutional investors. The turning point was in 2000 when the European Council made a "special appeal to companies' corporate sense of social responsibility" (European Council 2000) and the EC started to work on a new line of policy intervention that soon crystallized under the label of European CSR (de Schutter 2008).

4.1.1. *Micro-dynamic 1: CSR window of opportunity*

In 2000, CSR "was something that was floating around"⁴ and its meaning in terms of policy and regulation was ambiguous and highly contested (de Schutter 2008). The central idea was that market mechanisms – pressure coming from media and NGOs on reputation or from consumers and investors – would effectively discipline business conduct. This frequently emerges from our data:

(...) companies are promoting their CSR strategies as a response to a variety of social, environmental and economic pressures. They aim to send a signal to the various stakeholders with whom they interact: employees, shareholders, investors, consumers, public authorities and NGOs. (European Commission 2011, p. 3)

In this context, transparency and accountability policies took center stage in the policy agenda: "There were more demands expressed towards companies but, at the same time, not a willingness to regulate. So the way in between was to ask for transparency, and consumers and investors would judge."⁵

In a period of spreading neoliberalism but also growing contestation of corporate power (Stiglitz 2002; Bakan 2004), this new regulatory approach was certainly seen by some EU policymakers as a possibility to update the rituals of the tripartite social dialogue, using a more reflexive and learning-based approach to governance (de Schutter & Lenoble 2010). Also, some NGOs welcomed its promise to include broader social and environmental issues beyond industrial policies, new regulatory tools (such as fair trade certifications and environmental schemes like the Eco-Management and Audit Scheme [EMAS]), and a broader range of stakeholders in the EU agenda, all under the umbrella of "CSR policies."

4.1.2. *Micro-dynamic 2: BIs are weak and divided*

As a preliminary step, the EC called for the creation of the EMSF, which commenced operation in 2002 with the aim of bringing together "enterprises and other stakeholders, including trade unions, NGOs, investors,

consumers, to promote innovation, convergence and transparency in existing CSR practices and tools (such as code of conducts, labels, reports and management instruments)” (European Commission 2002).

Our analysis suggests that the structural feebleness of BIs and their internal division can largely explain the regulatory failure that ensued. “Meta-regulatory” accountability policies based on transparency need active, strong, and independent BIs to put pressure on targets and regulators (Parker 2007). This did not happen. Despite the emphasis on the “strong surge in popularity among mainstream investors” (European Commission 2011, p. 20), EC officials soon realized that SRI was a “luxury” or a “niche market” with little leverage on corporate behavior – it “did exist in the UK, and it was about it.”⁶ Therefore, the key argument of EC officials for mandatory CSR disclosure – “it is in the interest of investors”⁷ – was rapidly dismissed by targets’ intermediaries as unsubstantiated. Because of the lack of support from mainstream investors for any form of CSR regulation, targets’ representatives could frame NGOs and unions’ requests as “anti-business” policies leading to “straitjacketing red-tape.”⁸ In an attempt to boost SRI, in 2001, the EC encouraged and financially supported the creation of Eurosif. However, Eurosif was accredited only as an observer in the EMSF because of its very limited leverage.

The unions were also disengaged from the regulatory process. The multistakeholder approach entailed diminished bargaining power compared to social dialogue. In general, the CSR agenda was perceived as a dangerous departure from traditional industrial relations based on collective bargain. Our interviews with unionists reveal a sense of imposition by the EU regulator.⁹ For instance:

[The Commission] came up with this concept of CSR, which is not workable. (...) the nicety of the language in effect hides not only inaction but [also] a deterioration of the current situation. (...) Actually, [CSR] has undermined social dialogue.¹⁰

Overall, lacking strong pressure from investors and unions, NGOs acquired a central role in the multistakeholder process but lacked the capacity and experience to countervail business’ representatives. The EMSF debate soon became ideologically polarized between supporters of mandatory and voluntary CSR.¹¹ In fact, it became a confrontation between David and Goliath: NGOs against business organizations. “What did happen is: the NGOs and unions did not succeed in having useful conclusions. In the end they lost.”¹²

4.1.3. *Micro-dynamic 3: Regulatory capture by targets*

Certainly, the period between 2000 and 2009 saw a greater influence of some BIs, namely NGOs and responsible investors, in EU policies. However, targets’ intermediaries “hijacked” the regulatory process, as an EC official told us, reducing the “whole social dimension at the EU level through the argument of jobs and growth.”¹³ Rather than empowering stakeholders, the regulatory process accredited “corporate strategies designed to prevent the use of law as a means for bringing about greater corporate accountability” (Shamir 2004, p. 669).

In 2004, the EMSF completed its work without reaching any major agreement on common principles and policies. The EC services pledged to draft a CSR Communication based on the results of the EMSF. In 2006, the newly appointed Barroso Commission decided to issue a weak CSR Communication, which was “agreed by the Cabinet directly with CSR Europe [business],”¹⁴ launching a business-led “European Alliance for CSR”, centered on a “more effective and less bureaucratic” approach to CSR (European Commission 2006). In response, the EU Parliament passed, by a large majority, a resolution urging the EC to extend legal obligations to certain key aspects of corporate accountability (European Parliament 2007). The EU executive’s reaction was to reaffirm that CSR was voluntary and should not be regulated at the EU level. As a result, NGOs and unions decided to boycott and, eventually, abandon the EMSF. The CSR agenda had been manifestly captured by large business (de Shutter 2008; Ungericht & Hirt 2010; Fairbrass 2011; Kinderman 2013).

In practical terms, by 2005, the first CSR regulatory cycle had been exhausted. EU policymakers espoused an instrumental approach to CSR that excluded the introduction of mandatory CSR policies, such as reporting or auditing. Interestingly, by that time the same fate had befallen other multistakeholder initiatives, failing to empower stakeholders (cf. Dingwerth & Eichinger 2010; Mena & Palazzo 2012). The CSR Alliance was run by targets’ intermediaries (CSR Europe and BusinessEurope) that interpreted CSR communication as a public relations opportunity. The accounting profession acted as targets’ intermediaries, in this self-referential exercise (CSR Europe *et al.* 2008), lacking legitimacy (both expertise and independence) when it came to social and environmental accountability. As the coordinator of one of the umbrella organizations recalls, “there was so much

opposition within the Commission to undertake any political reform. Basically, the whole discussion was framed under CSR terms.”¹⁵ According to an EC official, “The CSR Alliance was a strange animal. Companies didn’t have to commit to anything, they didn’t actually do anything. It was slightly odd.”¹⁶

In line with the “shareholder-centered” mantra that came to dominate EU corporate governance policies, the Alliance only formally recognized investors as beneficiaries. Therefore, while NGOs and unions were excluded from rulemaking, investors (e.g. Lloyds and Aviva) and financial analysts (European Federation of Financial Analysts Societies [EFFAS]) were invited to contribute, resulting in the side effect of dividing BIs between economic and social stakeholders. The workshop set up with investors as part of the CSR Alliance, the Laboratory on “valuing non-financial performance,” was “one of the most interesting and successful.”¹⁷

4.2. Regulatory cycle II (2009–2017). Beyond voluntarism and the emergence of NIU coalitions

Given the widespread acceptance of the voluntary approach to CSR regulation, BIs had to face major challenges “to get beyond the mantra that CSR = voluntary only” and “complement corporate responsibility with corporate accountability” (Amnesty International *et al.* 2004). Yet rather surprisingly, and despite strenuous opposition from targets and their intermediaries (Kinderman 2013, 2016), some important CSR reforms were adopted by the EU, as well as certain member states, between 2009 and 2017. Analyzing the data regarding the activities of ECCJ, Eurosif, and their members, we have been able to explore the micro-dynamics that have characterized this transition from the perspective of BIs. Certainly, the financial crisis created a new narrow window of opportunity for CSR reforms. However, as in the first cycle, it would not be sufficient to overcome targets’ well-organized counter-pressures (Kinderman 2013). Our data suggest that the key for regulatory progress can be found in two important changes: BIs’ greater structural capacity to engage in various intermediation roles (ANIME) and the emergence of a closer collaboration between NGOs, responsible investors, and unions.

4.2.1. Micro-dynamic 4: A new window of opportunity

All of the interviewees stressed that the 2008 financial crisis opened a new “window of opportunity” for regulatory changes, providing a strong argument against self-regulation. Compared to the first cycle, both responsible investors and NGOs had stronger operational capacity to exploit this window of opportunity and engage more in agenda setting. Following the defeat of the EMSF and the frustration of seeing CSR policies captured, NGOs realized the “need to start a European network, which would be active in Brussels and work on corporate accountability issues at EU level” (de Clerck 2016). This led to the creation of the ECCJ in 2006.

In 2009–2010, the ECCJ and Eurosif, which had been created back in 2001, separately engaged in countless meetings, initiatives, workshops, press releases, and collaborations aimed at moving the CSR agenda beyond voluntarism. They opted for largely non-ideological, but bold and substantiated proposals for reforms. The (only) point of contact between their proposals was a request for better disclosure based on mandatory social and environmental reporting (Eurosif 2009b; ECCJ 2010).

They adopted different strategies and arguments. The ECCJ attacked the lack of legitimacy and failure of EU policies with a Europe-wide campaign called “Right for People, Rules for Business” to mobilize citizens. NGOs used powerful examples and images of human rights violations perpetrated by large corporations, asking the EU to hold companies accountable. They mobilized their network of legal experts to produce reports (ECCJ 2010) and studies (Augenstein 2010) highlighting possible reforms. As acknowledged by an EC official: “We no longer had an EMSF, it was just with business. One major stakeholder was missing. The credibility of the process was thrown into question.”¹⁸ We obtained evidence of a series of meetings and emails that demonstrate a negotiation between the ECCJ and the EC (April 2008–February 2009). In exchange for reconsidering their participation in the EMSF, the ECCJ obtained examination of its proposals by different services of the EC.

In this phase, Eurosif used its access to EU policymakers and the Laboratory “valuing non-financial performance” to highlight that investors wanted more stringent CSR rules. Eurosif mobilized its members, especially mainstream investors, to write its 2009 position paper, asking them “to meet directly with DG Internal Market officials” with “the ultimate goal” that “ESG [Environmental Social and Governance] factors (...) can be a top priority for the incoming Commission” (Eurosif 2009a). They heavily lobbied European institutions, particularly promoting a set of ESG key performance indicators developed by EFFAS (European Federation of Financial Analysts Societies [EFFAS] 2010). They worked with the EU Parliament and the accounting profession (then FEE) to

show broader support for reforms. In particular, they successfully asserted responsible and long-term investment as the “antidote” to the financial irresponsibility and short-termism that had led to the 2008 financial meltdown, supporting their arguments with data and analysis. The Eurosif approach in this phase remained distinct but complementary to the ECCJ's.

The centrality of the two organizations in the regulatory process is confirmed by several interviews with policymakers. This is a new element compared to the previous phases. For instance, one EC official affirmed: “NGOs have been very vocal with us, especially in the initial phase. We found them very helpful. (...) especially, it has been through the NGOs that we have got in touch with the main academics in this field.” And also:

I think the investors were key drivers for this. (...) We considered the fact that investors are discussing this as one of the key evidence that the market was demanding for increased transparency. So, we don't do this for the regulators' sake but because there is a demand which is not met by current supply.

4.2.2. *Micro-dynamic 5: NIU coalition building*

Despite their large networks and strong activism, both the ECCJ and Eurosif are small organizations that struggle in the agenda-setting and negotiation process, “because they can put less money and resources in it” compared to targets' representatives like BusinessEurope.¹⁹ In 2011, however, they began to collaborate more. The interviews and documents provide abundant evidence of this cooperation and its evolution. Table 3 contains some extracts that illustrate this micro-dynamic at the EU-level. Crucially, this only began after the EC: (i) abandoned the business-driven CSR Alliance, *officially* including all stakeholders in the regulatory process; and (ii) took a more *dirigiste* economic approach and announced a legislative proposal on reporting (Single Market Act 2011), following the appointment of Michel Barnier as Internal Market Commissioner. After the EC proposal on non-financial reporting was stalled for several months in 2012 (Bizzarri 2013), the two umbrella organizations obtained a joint meeting with Commissioner Barnier to reiterate their support for the EC's initiative to address corporate transparency through legislative proposals. The meeting was “a very key moment, because it really proved to trade unions and investors that this kind of collaboration could help us be very influential.”²⁰

Table 3 Selection of Extracts Associated with Micro-dynamic 5: NIU Coalition Building

“(...) with EUROSIF we are just **very very close**. Strategically, **we work together** and **we are in contact**. (...) It is about the EU Commission that is going to launch a proposal on non-financial reporting, it is really a **strategical** [convergence]. I don't see any other reason for that.” (Interview #9)

“Also Eurosif is thinking that ‘comply-or-explain’ approach would be like going a couple of years backwards, so sometimes is pretty funny how **coalitions** are working.” (Interview #9)

“(...) we have a lot of **affinity** with ECCJ. We actually wrote a letter together with ETUC and BEUC, asking for a joint meeting with Barnier to demonstrate that we push for the proposal. (...) we insist more on the materiality of the data and ECCJ would go, maybe, a bit further. But yes, there are a lot of **commonalities**.” (Interview #18)

“The meeting with the Commissioner [Barnier] was, I think, a very key moment for this **collaboration** because it really proved to trade unions and investors that this kind of **collaboration** could help us being very **influential**. So, we repeated it in all the letters: letters to MEPs, letters to Member States, letters to the Commission.” (Interview #26)

“[With Francois Passant, former Eurosif Director] we were regularly in touch (...) we managed to easily **exchange information, share our contacts** with MEPs, **invite each other** to some of the key meetings. I think that really helped.” (Interview #26)

“(...) investors became **very helpful** for NGOs and unions because they are the ones that are in **between civil society and business**.” (Interview #26)

“[Unions] were not as active as us but definitely at the **key moments**, they were always there to **support**.” (Interview #26)

“it's mainly **based on issues**, really. Not membership. Although I think it makes sense because, for instance, most of these **NGOs are also members of my SIFs** (...) frankly, the reason why we still **collaborate** so much [with NGOs] is because **we add to each other's business case** and **we lobby for the same idea** so it really makes sense, also, when we go to regulators that we join the group together.” (Interview #30)

BEUC, Bureau Européen des Unions de Consommateurs; ECCJ, European Coalition for Corporate Justice; ETUC, European Trade Union Confederation; MEPs, members of European parliament; NGO, non-governmental organization; SIF, sustainable investment forum.

Coordination between the two organizations intensified further as a consequence until the non-financial reporting directive was adopted in 2014. In this new phase, the activism of BIs' – in particular investors – and their stronger capabilities shaped the policy debate in a completely new direction. As an EC official put it:

I think if I look at it objectively, one of the roles of the investors' interest is to make it no longer a “black versus white” debate. (...) Then it is not simply the NGOs' agenda. It becomes, if I am honest, an easier agenda to sell.²¹

Notably, the NIU coalition is not limited to collaboration between the ECCJ and Eurosif at the EU level. It has a truly transnational character. Formal and informal links between members of the ECCJ and Eurosif also exist at the national level. Through a series of interviews, we investigated 12 formal bonds between the ECCJ and Eurosif – specific organizations that belong to both networks – that exist in France, Spain, the Netherlands and the United Kingdom (UK). While a detailed outline and discussion of national micro-dynamics and varieties of the NIU nexus goes beyond the scope of this paper, we certainly found evidence of ramifications and links across different forms of NIU coalitions. Furthermore, we found preliminary evidence that in France, the Netherlands and the UK, the NIU nexus had an important role in the recent adoption of important pieces of CSR regulation, such as the 2015 Modern Slavery Act in the UK²² and the law on the “*devoir de vigilance*” in France (Law n° 2017-39, 27 mars 2017).²³ In the Netherlands, a notable example has been the signing of an agreement between the Dutch banks, unions, NGOs, and the government – after two years of negotiations – to join forces on international responsible business conduct regarding human rights in the banking sector (Social and Economic Council 2016).²⁴

4.2.3. *Micro-dynamic 6: The evolution of BIs' roles*

Whereas in previous phases, intermediaries could not find a compromise agreement and failed to deliver any progress, after 2013 the NIU coalition delivered some important “successes (...) that can embed some very important concepts of corporate responsibility into law.”²⁵ Looking only at the EU-level, they include the adoption in 2013 of EU transparency rules for extractive industries, aimed at fighting against tax fraud and corruption; the adoption in October 2014 of the non-financial reporting directive; and the amendment of the Shareholder Rights Directive in March 2017, aimed also at boosting long-term investments and SRI.

Two elements can be stressed concerning the current evolution of BIs' roles in CSR regulation. Firstly, before 2009 the European policymakers disregarded institutional investors as targets for CSR policies. Eurosif and its allies contributed to add this second stream to the CSR regulatory pipeline through initiatives like the 2017 Shareholder Rights Directive, which is expected to boost SRI in Europe. However, the “ultimate targets” (Havinga & Verbruggen, 2017) of the new legislation remain large listed companies. SRI is used as an intermediary to increase CSR and monitoring by institutional investors. Interestingly, interviews with EC officials revealed that NGOs' intervention was determinant in “protecting” the SRI elements in the Shareholder Rights Directive.²⁶ “[Members of the European Parliament] are sensitive to the arguments of the NGOs and I think here there were a couple of NGOs that really explained that this is useful for society.” In effect, some large NGOs like ActionAid, World Wildlife Fund (WWF), and Friends of the Earth openly supported the directive (World Wildlife Fund 2016), confirming the versatility of NIU coalitions.

Furthermore, and crucially, the NIU nexus also plays an important role in the adoption of CSR regulation – typically through monitoring and fire alarm mechanisms. Compared to the 2000–2009 phase, all three components of NIU coalitions have developed their monitoring capabilities and began integrating their tools and resources. For instance, all of the interviews with ESG analysts²⁷ show that they have well-established and multi-layered collaborations with NGOs and unions that typically take three forms: NGOs can use ESG analysts when they work with businesses to identify potential reputational risks; ESG analysts strategically use NGOs and unions to “track what companies do in reality;”²⁸ and ESG analysts are often part of multistakeholder platforms that include also NGOs and unions, such as Eurosif or the Dutch Association of Investors for Sustainable Development (VBDO, the Dutch sustainable investment forum [SIF]).

Considering the phenomenal growth of European SRI (Eurosif 2016) and the use of ESG information by governments and multinational organizations, benchmarking exercises by ESG analysts or by new initiatives like the Corporate Human Rights Benchmark (CHRB) become important CSR drivers. At the same time, NGOs and

unions have developed their own instruments to mobilize and influence institutional investors.²⁹ By way of example of how the NIU nexus can contribute to change corporate conduct, since 2011, the UK NGO ShareAction (member of both NGOs and investor umbrella organizations) has effectively translated NGOs and unions' campaigns on "Living Wage" into capital markets campaigning.³⁰ Namely, ShareAction has coordinated a collaborative initiative of institutional investors with over £100 billion assets under management to encourage all FTSE 100 companies to apply Living Wage standards in their UK operations (the Investor Collaborative for the Living Wage). Between 2011 and 2017, this campaign contributed to increase the number of FTSE 100 employers applying the Living Wage standard from two to 46. According to ShareAction, 15,000 employees have positively benefited from this coordinated campaign.³¹ Notably, in 2016, ShareAction promoted the creation of the European Responsible Investment Network (ERIN), a pan-European network of NGOs, unions and other organizations that responds to the need for "more coordination when it comes to investor-focused initiatives and policy making. (...) learning about what tactics work when you try to influence investors and about what is going on in other countries."³²

5. Discussion

Our longitudinal study explored to what extent the capacity and coordination of BIs affects the corporate accountability regulatory process. Empirically, we focused on the multiple roles of three groups of BIs' – NGOs, SRIs, and unions – in the development and adoption of European CSR rules and associated practices. We were theoretically motivated by the aim of balancing the focus on the relationship between the regulator (R) and its target (T) to include the perspective and motivations of beneficiaries and their intermediaries. Our findings complement Koenig-Archibugi and Macdonald's (2017) argument that whether and how beneficiaries are involved in the regulatory process does matter by stressing the importance of organizational capacity and coordination.

Specifically, considering the period 2000–2017, we identified the emergence of two regulatory cycles leading to substantially different outcomes. Cycle I ended with no changes to the CSR regulation, as well as the manifest capture of the regulatory process by the targets and their intermediaries. Cycle II, after the 2008 financial crisis, led instead to the adoption of a series of reforms. Overall, in both periods, EU regulators were supportive of the beneficiaries' positions to the point of funding the creation of Eurosif and including them in the regulatory process. Targets' representatives consistently opposed mandatory CSR (Kinderman, 2013). Thus, the key difference between the two cycles lies in the greater capacity of NGOs and responsible investors to shape the CSR regulatory process and the emergence of an NIU nexus – which allows BIs to play a stronger and more coordinated role. This section expands on this central argument and discusses its theoretical and regulatory implications and scope conditions.

5.1. Combining the RIT model and critical political CSR

Our study integrates the descriptive typologies offered by the RIT model (Abbott *et al.*, 2017; Koenig-Archibugi & Macdonald 2017) with insights from "political CSR" debates (Edward & Willmott, 2008; Scherer & Palazzo, 2011; Mäkinen & Kourula 2012; Levy *et al.*, 2016; Salles-Djelic & Etchanchu, 2017).

Critical PCSR helps in understanding power relationships within the extended RIT model proposed by Koenig-Archibugi and Macdonald (2017) (see Fig. 1). In particular, we draw attention to the "neutralization" of beneficiaries' side in CSR regulatory processes. As a result of the global expansion of business operations, intended beneficiaries have become increasingly virtualized, dispersed, and fragmented groups of actors that would struggle to participate directly in CSR regulatory processes (Salles-Djelic & Etchanchu, 2017). Thus, in this context, direct participation of beneficiaries, without representation, is likely to result in their exclusion from the regulatory process and possible regulatory capture by targets and their intermediaries (see Fig. 2). In this special issue, Franssen and LeBaron (2019) provide a telling example of how target-related intermediaries, such as big audit firms, can influence CSR rules related to forced labor and modern slavery. This argument also has implications for Koenig-Archibugi and Macdonald's (2017) taxonomy of the possible relationships between beneficiaries and the other groups of regulatory actors. It underpins our conclusion that the presence of strong and coordinated BIs plays a crucial role in effective CSR regulation.

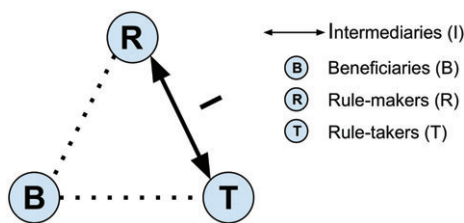


Figure 2 Isolation of beneficiaries as a result of weak intermediation.

We found evidence of this dynamic in the first regulatory cycle, when EU regulators assumed that companies would promote CSR strategies as a response to the market and social pressure exerted by all sorts of stakeholders (e.g. investors, consumers, communities, media). In reality, they soon found that there was a structural problem because of the weakness or lack of capabilities of these broadly conceived beneficiary groups.

Furthermore, drawing on a processual approach to PCSR (Levy *et al.* 2016) that emphasizes temporality, our study has outlined six micro-dynamics that offer a more interactive account of the politics of regulatory intermediation and the roles of BIs. During cycle I, BIs were initially included in the rulemaking process. However, both responsible investors and NGOs lacked the capacity to monitor and discipline targets directly, not just through the regulator. Targets and their intermediaries exploited BIs' weakness to capture the rulemaking process. Eventually, unions and NGOs were also formally excluded from the EMSF. This shows how the inclusion/exclusion of BIs is the result of power dynamics, more than a precondition for effective CSR regulation. In this phase, we found that BIs were weak also because they were divided, unable to work together in the regulatory process. This contributed to the fact that BIs were not seen by the regulator as viable options to perform intermediation tasks, such as monitoring and enforcement. In contrast, the post-2009 phase is characterized by stronger and better organized BIs, capable of monitoring and enforcing compliance, acting at different levels of governance using eclectic accountability tools (from legal actions to SRI and NGO campaigning). In terms of organizational structure, this required the creation of longer chains of intermediation (second or third order BIs) as in the case of Eurosif and the ECCJ "umbrella organizations." This occurred toward the end of the first cycle, in consideration of the need for a better structure and of the high degree of distance between beneficiaries and their intermediaries. However, our study also revealed that the greater involvement of BIs in the regulatory process is largely a result of the convergence of interests and greater coordination among three groups of BIs: NGOs, investors, and unions (the NIU nexus). This alignment of forces facilitated the development, monitoring, and implementation of new CSR rules in the European context. We thus propose a more pragmatic and processual approach to regulatory intermediation that integrates the RIT model and PCSR. Here, we understand regulatory intermediation as "an extended, interactive, and somewhat unpredictable process" (Levy *et al.* 2016, p. 368) through which regulatory actors employ a wide range of tactics and engage in variable and (in)formal coalitions. The NIU nexus exemplifies this more processual and more contested model of CSR regulation that also allows the identification of surprising, more fragile, and unformalized modes of regulatory intermediation.

Lastly, we also maintain that the regulatory intermediary framework (Abbott *et al.* 2017) can play an important role in advancing the heated PCSR debate concerning the need to find new extended forms of democratic "will formation" that include business and civil society in regulatory processes. Some scholars suggest that this can be achieved through a decentralized form of "deliberative democracy" in which business can play a positive role driven by a concern for the public good that goes beyond selfish calculations (Scherer & Palazzo 2008, 2011). More critical PCSR scholars are skeptical. They argue that this overly idealistic solution neglects asymmetries of power and interests (Edward and Willmott 2008; Whelan 2012) and call for stronger regulation of business conduct and a more radical approach to stakeholder democracy (Mäkinen & Kourula 2012). Our findings regarding the emergence of NIU coalitions constitute a promising alternative to both the imposition of rules in a command and control fashion and allowing corporate executives large discretionary power – the *noblesse oblige* approach to PCSR (Crouch 2009). The regulatory intermediary framework helps to frame this debate in a more systematic manner, generating new insights about the regulatory roles of key groups of stakeholders. Organizing their roles into intermediaries, targets, beneficiaries, and regulators helps to increase understanding of the positions in the regulatory field, functional relations, regulatory effectiveness, and capabilities. It can illuminate "which

constellations of conditions are likely to produce which outcomes” (Koenig-Archibugi & Macdonald 2017, p. 54). In this respect, based on our analysis, we are skeptical about Scherer and Palazzo's (2011) idealistic perspective of deliberative democracy. We rather agree with Salles-Djelic and Etchanchu (2017, p. 657) that the key for effective corporate accountability lies in curbing managerial discretionary power. Specifically, we propose that, in the current context of virtualized, dispersed, and fragmented beneficiaries, stronger and better-coordinated BIs are crucial in order to countervail the asymmetric power and resources of business. However, our analysis also suggests that critical PCSR scholarship should take a more pragmatic and dynamic approach that also includes structural business-civil society cooperation. In particular, our finding regarding the emergence of NIU coalitions invites reflection on the common interest in effective CSR that may bond groups of actors as different as NGOs, investors, and unions.

The following section advances some implications of our findings – in particular regarding the NIU nexus – and briefly discusses the scope conditions of our argument.

5.2. Theorizing NIU coalitions: Conceptualization and scope conditions

In line with a processual and pragmatic approach to regulatory intermediation, the emergence of NIU coalitions should be seen as contextual, fragile, and contested. At the same time, we believe that it has the potential to evolve into a more structured model of corporate governance. We conceptualize the NIU nexus as having three key characteristics.

First, what actually unifies NGOs, investors, and unions is the common objective of holding managers accountable and reducing managerial discretion. In this sense, NIU coalitions are not real alliances but rather “marriages of convenience” between actors that are often opposed. Thus, NIU coalitions are fragile. NGOs, responsible investors, and unions certainly have viewpoints that partially overlap. Some NGOs, such as ShareAction or WWF, engage companies using shareholder activism. SRI has its roots as a form of social activism. Unions, through large pension funds, are structurally involved in the capital market. However, they also have different priorities, worldviews, and attitudes toward corporations, underpinned by distinct understandings of “corporate accountability.”

Second, their convergence of interests is thus far mainly related to transparency and CSR reporting regulation. One possible explanation, as suggested by Brès *et al.* in this issue, is that auditing tools, benchmarking practices, and CSR reports can become “a way to develop intermediation as a “boundary object” (...) [that] keeps the regulatory injunction broad and blurry enough to be widely acceptable and adaptable” (2019, p. 10). This conjecture invites further research. More broadly, as already mentioned, CSR regulation works indirectly and requires active beneficiaries to be effective. Therefore, we could hypothesize that stronger coordination among the three groups of actors was encouraged by their common regulatory role as BIs. Our exploratory research seems to confirm this conjecture by showing that the success of NIU coalitions was rapid and surprising for the very actors involved in the nexus. NIU coalitions were not planned. They are forms of emergent intermediation, based largely on unofficial and unformalized relations among a variety of BIs (see also Bothello & Mehrpouya [2019] in this special issue).

Third, NIU coalitions overcome the business/anti-business divide that characterized CSR policy debates. Contrary to most of the papers in this special issue, illustrating the familiar divide between business as a target and civil society as a beneficiary, the NIU nexus offers a different case in which parts of business and civil society are both beneficiaries. According to our analysis, this characteristic also explains its sudden success with policy-makers. In a context still dominated by a neoliberal ideological approach to CSR (Salles-Djelic & Etchanchu, 2017), the NIU nexus appears, to public authorities, to be “an easier agenda to sell”³³ because it is supported not only by civil society and labor but also by a business component.

Our central claim is that the involvement of stronger and more coordinated BIs – as in the case of the NIU nexus – is necessary to achieve more effective CSR regulation. However, the emergence of NIU coalitions is subject to certain scope conditions. In particular, it requires that public authorities include all BIs in the regulatory process. In particular, the regulator has to go beyond a zero-sum approach to corporate accountability, such as shareholder-centered corporate governance, that structurally divides unions and NGOs from shareholders. NIU coalitions are also based on the precondition that unions and NGOs have sufficient organizational capabilities to

perform regulatory tasks, such as monitoring and enforcing. In this sense, their emergence in Europe can be explained by the relatively strong role played in many EU countries by trade unions and the presence of organized civil society. Lastly, the emergence of NIU coalitions requires relatively well-developed financial markets. As we have seen in our study, the presence of responsible investors in emerging financial markets, where basic financial services are barely available, tends to be insufficient.

6. Conclusions

This longitudinal study has empirically examined the multiple intermediary roles that institutional investors, trade unions, and NGOs have played in the emergence of a European regime of CSR. We identified two regulatory cycles during the period 2000–2017. While cycle I ended with the manifest capture of the regulatory process, cycle II led to the adoption of a series of CSR reforms. Our analysis showed that, to a large extent, the different outcomes can be attributed to the decisive involvement of BIs in all aspects of the regulatory process. In particular, the emergence of an NIU nexus allowed the strong opposition of targets' representatives to be overcome.

By combining the literature on regulatory intermediaries (Koenig-Archibugi & Macdonald 2017) with insights from critical PCSR (Levy *et al.*, 2016; Salles-Djelic and Etchanchu, 2017), the paper contributes to a more dynamic and processual understanding of the role of BIs. Our findings redirect attention away from managerial and corporate voluntary initiatives and suggest considering unexplored political models of corporate accountability. In contrast to Scherer and Palazzo's (2011) ideal perspective on PCSR, we are skeptical about the participation of fragmented and dispersed stakeholders in CSR deliberative processes. We rather agree with Salles-Djelic and Etchanchu (2017, p. 657) that the key for effective corporate accountability lies in curbing managerial discretionary power. In particular, in the European context, stronger and more coordinated BIs can play a crucial role in effective CSR regulation.

Acknowledgments

We thank the Regulation & Governance Special Issue Editors and three anonymous reviewers for their valuable insight and guidance. We also benefitted from useful comments on earlier drafts from participants at the EGOS 2016 sub-theme on the "The Privatization of regulation". We are grateful in particular to Marie-Laure Djelic, Sébastien Mena, Daniel Kinderman, Steffen Bohm, Stefano Pascucci for their comments. We are especially grateful to Jérôme Chaplier, from ECCJ, and to countless interviewees for their invaluable insights into this subject matter. The responsibility for errors is of the authors alone.

Notes

- 1 Interview #10.
- 2 See Annex for the list of all interviews.
- 3 EC official, Interview #11.
- 4 EC official, Interview #11.
- 5 EC official, Interview #11.
- 6 Interview #12, 2012.
- 7 Interview #12, 2012.
- 8 EC official, interview #17.
- 9 Interviews #7, #8, and #16.
- 10 Interview #16.
- 11 See Fairbrass (2011) for a detailed account.
- 12 Interview #11.
- 13 Interview #17.
- 14 Interviews #2 and #11.
- 15 Interview #26.

- 16 Interview #14.
- 17 Interview #14.
- 18 Interview #10.
- 19 EC official, Interview #13.
- 20 Interview #26.
- 21 Interview #14.
- 22 Interview #34.
- 23 Interview #35.
- 24 Interviews #37, #41.
- 25 Interview #26.
- 26 Interviews #32, #39.
- 27 Interviews #21, #23, #25.
- 28 Interview #21.
- 29 Interviews #36, #37, #38, #40, #42.
- 30 Interviews #37, #40.
- 31 Interview #40.
- 32 Interview #37.
- 33 Interview #14.

References

- Abbott KW, Snidal D (2009) The Governance Triangle: Regulatory Standards Institutions and the Shadow of the State. In: Mattli W, Woods N (eds) *The Politics of Global Regulation*, pp. 44–88. Princeton University Press, Princeton, NJ.
- Abbott KW, Levi-Faur D, Snidal D (2017) Theorizing Regulatory Intermediaries: The RIT Model. *ANNALS of the American Academy of Political and Social Science* 670(1), 14–35.
- Amnesty International, Oxfam, BEUC, FIDH, Solidar, Social Platform (2004) NGOs call on Commission and Council to shift gears after Multi-Stakeholder Forum: European CSR Process must move from Dialogue to Action. Press Release. Brussels, 29 March.
- Augenstein D (2010) Study of the Legal Framework on Human Rights and the Environment Applicable to European Enterprises Operating Outside the European Union. Prepared by the University of Edinburgh for the European Commission. [Last accessed 6 March 2019.] Available from URL: http://en.frankbold.org/sites/default/files/tema/101025_ec_study_final_report_en_0.pdf.
- Bakan J (2004) *The Corporation: The Pathological Pursuit of Profit and Power*. Constable & Robinson, Ltd, New York.
- Banerjee SB (2008) Corporate Social Responsibility: The Good, the Bad and the Ugly. *Critical Sociology* 34(1), 51–79.
- Bartley T (2007) Institutional Emergence in an Era of Globalization: The Rise of Transnational Private Regulation of Labor and Environmental Conditions. *American Journal of Sociology* 113(2), 297–351.
- Bebbington J, Unerman J, O'Dwyer B (2014) *Sustainability Accounting and Accountability*. Routledge, New York.
- Bianculli A, Jordana J, Fernández-i-Marín X (2014) *Accountability and Regulatory Governance: Audiences, Controls and Responsibilities in the Politics of Regulation*. Springer, Berlin.
- Bizzarri K (2013) *Business Hollows Out New EU Corporate Social Responsibility Rules*. *Corporate Europe Observatory*, 17 Apr.
- Bothello J, Mehrpouya A (2019) Between Regulatory Field Structuring and Organizational Roles: Intermediation in the Field of Sustainable Urban Development. *Regulation & Governance*, forthcoming.
- Braithwaite J, Drahos P (2000) *Global Business Regulation*. CUP, Cambridge, MA.
- Brès L, Mena S, Salles-Djelic M-L (2019) Exploring the Formal and Informal Roles of Regulatory Intermediaries in Transnational Multi-stakeholder Regulation. *Regulation & Governance*, forthcoming.
- Brown D, Knudsen JS (2015) Why Governments Intervene: Exploring Mixed Motives for Public Policies on Corporate Social Responsibility. *Public Policy and Administration* 30(1), 51–72.
- Crouch C (2009) CSR and Changing Modes of Governance: Towards Corporate Noblesse Oblige? In: Utting P, Marques JC (eds) *Corporate Social Responsibility and Regulatory Governance: Towards Inclusive Development?* pp. 26–49. Palgrave Macmillan, Basingstoke.
- CSREurope, BusinessEurope, UEAPME (2008) *Progress Review 2007. Making Europe a Pole of Excellence on CSR. The European Alliance for CSR*. Mimeo.
- Derry R (2012) Reclaiming Marginalized Stakeholders. *Journal of Business Ethics* 111(2), 253–264.
- de Cleck P (2016) Retrospect: 10 years of ECCJ. [Last accessed 7 March 2019.] Available from URL: <http://corporatejustice.org/news/133-retrospect-10-years-of-eccj>.
- de Schutter O, Jacques L (2010) *Reflexive Governance: Redefining the Public Interest in a Pluralistic World*. Hart, Oxford.
- de Schutter O (2008) Corporate Social Responsibility European Style. *European Law Journal* 14, 203–236.

- Dingwerth K, Eichinger M (2010) Tamed Transparency: How Information Disclosure Under the Global Reporting Initiative Fails to Empower. *Global Environmental Politics* 10(3), 74–96.
- ECCJ (2010) *Rights for Whom? Corporations, Communities and the Environment*. ECCJ. [Last accessed 6 March 2019.] Available from URL: http://corporatejustice.org/documents/publications/eccj/rights_for_whom.pdf.
- Edward P, Willmott H (2008) Corporate Citizenship: Rise and Demise of a Myth? *Academy of Management Review* 33(3), 771–773.
- EFFAS (2010) *KPI for ESG. A Guideline for Integrating ESG Into Financial Analysis and Corporate Valuation*. DVFA, Frankfurt am Main.
- European Commission (2002) A Business Contribution to Sustainable Development. 347 final of 2.7.2002, Brussels. [Last accessed 6 March 2019.] Available from URL: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2002:0347:FIN:en:PDF>.
- European Commission (2006) Launch of “European Alliance for Corporate Social Responsibility”. Press Release. Brussels, IP/06/358, 22 Mar.
- European Commission (2011) *Disclosure of Non-Financial Information by Companies*. Directorate General for Internal Markets and Services, Public Consultation on Disclosure of Non-Financial Information by Companies, Brussels.
- European Council (2000) Presidency Conclusions, Lisbon European Council, 23 and 24 March.
- European Parliament (2007) *European Parliament Resolution of 13 March 2007 on Corporate Social Responsibility: A New Partnership*. 2006/2133/, INI. [Last accessed 6 March 2019.] Available from URL: <https://publications.europa.eu/en/publication-detail/-/publication/dd063ad2-4eef-4c3d-bf10-08187d874545/language-en>.
- Eurosif (2009a) *EU Insider, N.11, May*. Eurosif Newsletter.
- Eurosif (2009b) *Public Policy Position Paper related to Sustainable and Responsible Investment (“SRI”)*, 14 Apr.
- Eurosif (2016) *European SRI Study*. [Last accessed 6 March 2019.] Available from URL: <http://www.eurosif.org/wp-content/uploads/2016/11/SRI-study-2016-HR.pdf>.
- Fairbrass J (2011) Exploring Corporate Social Responsibility Policy in the European Union: A Discursive Institutional Analysis. *JCMS* 49(5), 949–970.
- Fransen L, Kolk A (2007) Global Rule-setting for Business. *Organization* 14(5), 667–684.
- Fransen L, LeBaron G (2019) Big Audit Firms as Regulatory Intermediaries in Transnational Labor Governance. *Regulation & Governance*, forthcoming.
- Gourevitch PA, Shinn J (2005) *Political Power and Corporate Control: The New Global Politics of Corporate Governance*. Princeton University Press, Princeton, NJ.
- Greenwood M, Kamoche K (2013) Social Accounting as Stakeholder Knowledge Appropriation. *Journal of Management & Governance* 17(3), 723–743.
- Halliday TC, Carruthers BG (2009) *Bankrupt: Global Lawmaking and Systemic Financial Crisis*. Stanford University Press, Stanford, CA.
- Havinga T, Verbruggen P (2017) Understanding Complex Governance Relationships in Food Safety Regulation: The RIT Model as a Theoretical Lens. *ANNALS of the American Academy of Political and Social Science* 670, 58–77.
- Ireland P, Pillay RG (2010) Corporate Social Responsibility in a Neoliberal Age. In: Utting P, Marques J (eds) *Corporate Social Responsibility and Regulatory Governance*, pp. 77–104. Palgrave Macmillan, Basingstoke.
- Kinderman DP (2012) “Free Us Up So We Can Be Responsible!” the Co-Evolution of Corporate Social Responsibility and Neo-liberalism in the UK, 1977–2010. *Socio-Economic Review* 10(1), 29–57.
- Kinderman DP (2013) Corporate Social Responsibility in the EU, 1993–2013: Institutional Ambiguity, Economic Crises, Business Legitimacy and Bureaucratic Politics. *JCMS* 51(4), 701–720.
- Kinderman DP (2016) Time for a Reality Check: Is Business Willing to Support a Smart Mix of Complementary Regulation in Private Governance? *Policy & Society* 35(1), 29–42.
- Kinderman DP (2019) The Challenges of Upward Regulatory Harmonization: The Case of Sustainability Reporting in the European Union. *Regulation & Governance*, forthcoming.
- Kingdon JW (1984) *Agendas, Alternatives, and Public Policies*. Little, Brown, Boston, MA.
- Knudsen JS, Moon J, Slager R (2015) Government Policies for Corporate Social Responsibility in Europe: A Comparative Analysis of Institutionalisation. *Policy & Politics* 43, 81–99.
- Koenig-Archibugi M, Macdonald K (2017) The Role of Beneficiaries in Transnational Regulatory Processes. *ANNALS of the American Academy of Political and Social Science* 670(1), 36–57.
- Langley A (1999) Strategies for Theorizing from Process Data. *Academy of Management Review* 24(4), 691–710.
- LeBaron G, Lister J, Dauvergne P (2017) Governing Global Supply Chain Sustainability through the Ethical Audit Regime. *Globalizations* 14(6), 958–975.
- Levi-Faur D (2005) The Global Diffusion of Regulatory Capitalism. *ANNALS of the American Academy of Political and Social Science* 598, 12–32.
- Levy D, Reinecke J, Manning S (2016) The Political Dynamics of Sustainable Coffee: Contested Value Regimes and the Transformation of Sustainability. *Journal of Management Studies* 53(3), 364–401.
- Maggetti M, Ewert C, Trein P (2017) Not Quite the Same: Regulatory Intermediaries in the Governance of Pharmaceuticals and Medical Devices. *The ANNALS of the American Academy of Political and Social Science* 670(1), 152–169. <https://doi.org/10.1177/0002716217691240>
- Mahoney J (2001) Beyond Correlation Analysis. Recent Innovations in Theory and Method. *Sociological Forum* 16(3), 575–593.
- Mäkinen J, Kourula A (2012) Pluralism in Political Corporate Social Responsibility. *Business Ethics Quarterly* 22, 649–678.
- Matten D, Crane A (2005) Corporate Citizenship: Toward an Extended Theoretical Conceptualization. *The Academy of Management Review* 30(1), 166–179.

- Mayntz R (2004) Mechanisms in the Analysis of Social Macro-phenomena. *Philosophy of the Social Sciences* 34(2), 237–259.
- Mena S, Palazzo G (2012) Input and Output Legitimacy of Multi-stakeholder Initiatives. *Business Ethics Quarterly* 22(3), 529–559.
- Moog S, Spicer A, Böhm S (2015) The Politics of Multi-stakeholder Initiatives: The Crisis of the Forest Stewardship Council. *Journal of Business Ethics* 128(3), 469–493.
- Newell P (2008) Civil Society, Corporate Accountability and the Politics of Climate Change. *Global Environmental Politics* 8(3), 122–153.
- Pagano M, Volpin PF (2005) The Political Economy of Corporate Governance. *The American Economic Review* 95(4), 1005–1030.
- Parker C (2007) Meta-regulation: Legal Accountability for Corporate Social Responsibility. In: McBarnet D, Voiculescu A, Campbell C (eds) *The New Corporate Accountability. Corporate Social Responsibility and the Law*, pp. 207–240. CUP, Cambridge, UK.
- Parkinson JE (1996) *Corporate Power and Responsibility*. Clarendon Press, Oxford.
- Pierson P (2004) *Politics in Time: History, Institutions, and Social Analysis*. Princeton University Press, Princeton, NJ.
- Ravitch SM, Carl NM (2015) *Qualitative Research: Bridging the Conceptual, Theoretical, and Methodological*. SAGE, Thousand Oaks, CA.
- Regini M (2001) Social Pacts in the EC Report on Industrial Relations in Europe. In: Biagi M (ed) *Towards a European Model of Industrial Relations?: Building on the First Report of the European Commission*, pp. 163–170. Kluwer Law International, The Hague.
- Salles-Djelic M-L (2006) Marketization: From Intellectual Agenda to Global Policy Making. In: Djelic M-L, Sahlin-Andersson K (eds) *Transnational Governance*, pp. 53–73. CUP, Cambridge, MA.
- Salles-Djelic M-L, Etchanchu H (2017) Contextualizing Corporate Political Responsibilities: Neoliberal CSR in Historical Perspective. *Journal of Business Ethics* 142(4), 641–661.
- Salles-Djelic M-L, Quack S (2010) *Transnational Communities: Shaping Global Economic Governance*. CUP, Cambridge, UK.
- Scherer AG, Palazzo G (2008) *Globalization and Corporate Social Responsibility*. In: Crane A, McWilliams A, Matten D, Moon J, Siegel D (eds) *The Oxford Handbook of Corporate Social Responsibility*, pp. 413–431. OUP, Oxford.
- Scherer AG, Palazzo G (2011) The New Political Role of Business in a Globalized World: A Review of a New Perspective on CSR and its Implications for the Firm, Governance, and Democracy. *Journal of Management Studies* 48, 899–931.
- Shamir R (2004) The De-radicalization of Corporate Social Responsibility. *Critical Sociology* 30(3), 669–689.
- Social and Economic Council (2016) *Dutch Banking Sector Agreement on International Responsible Business Conduct Regarding Human Rights*, Sector Agreement, October. [Last accessed 7 March 2019.] Available from URL: <https://friendsoftheoecdguidelines.files.wordpress.com/2016/10/dutch-banking-sector-agreement1.pdf>.
- Soederberg S (2010) *Corporate Power and Ownership in Contemporary Capitalism. The Politics of Resistance and Domination*. Routledge, London.
- Stiglitz JE (2002) *Globalization and Its Discontents*. W. W. Norton & Company, New York.
- Ungericht B, Hirt C (2010) CSR as a Political Arena: The Struggle for a European Framework. *Business and Politics* 12(4), 1–22.
- Utting P (2008) The Struggle for Corporate Accountability. *Development and Change* 39(6), 959–975.
- Vogel D (2010) The Private Regulation of Global Corporate Conduct: Achievements and Limitations. *Business & Society* 49(1), 68–87.
- Voiculescu A, McBarnet D, Campbell T (2007) *The New Corporate Accountability: Corporate Social Responsibility and the Law*. CUP, Cambridge, UK.
- Whelan G (2012) The Political Perspective of Corporate Social Responsibility. *Business Ethics Quarterly* 22, 709–737.
- WWF (2016) *Shareholder Rights Directive, Policy Briefing*. [Last accessed 6 March 2019.] Available from URL: <https://shareaction.org/wp-content/uploads/2016/11/PolicyBriefing-ShareholderRights.pdf>.

Laws cited

- Communication COM/2011/0206 Single Market Act Twelve levers to boost growth and strengthen confidence “Working together to create new growth”
- Directive 2013/34/EU Accounting: Annual financial statements, consolidated financial statements and related reports of certain types of undertakings, OJ L 182, 29.6.2013, p. 19–76.
- Directive 2014/95/EU Disclosure of non-financial and diversity information by certain large undertakings and groups OJ L 330, 15.11.2014, p. 1–9.
- Directive (EU) 2017/828 The encouragement of long-term shareholder engagement OJ L 132, 20.5.2017, p. 1–25.
- France’s LOI n° 2017-399 du 27 mars 2017 relative au devoir de vigilance des sociétés mères et des entreprises donneuses d’ordre JORF n°0074 du 28 mars 2017 texte n° 1
- United Kingdom Modern Slavery Act 2015 Chapter 30

ANNEX. LIST OF INTERVIEWS

#	ORGANISATION	DATE	#	ORGANISATION	DATE
1	European Commission	22 Apr 2010	21	Sustainalytics (Eurosif)	23 Jun 2016
2	European Commission	30 Apr 2010	22	WHEB Asset Management (Eurosif)	14 Jul 2016
3	Global Reporting Initiative	8 Apr 2011	23	Oekom (Eurosif)	14 Jul 2016
4	SOMO (ECCJ)	15 Apr 2011	24	SRI expert	19 Jul 2016
5	Aegon Asset Management (Eurosif)	2 Jun 2011	25	MSCI (Eurosif)	14 Sep 2016
6	APG (Eurosif)	6 Jun 2011	26	ECCJ (coordinator)	16 Oct 2016
7	European Trade Union Institute	8 Jun 2011	27	ChristianAid (member of ECCJ)	11 Oct 2016
8	European Trade Union Confederation	15 Jun 2011	28	Frank Bold (member of ECCJ)	17 Oct 2016
9	ECCJ	17 Jun 2011	29	European Commission	25 Oct 2016
10	European Commission	26 Jun 2012	30	EUROSIF	5 Dec 2016
11	European Commission	23 Jul 2012	31	CORE Coalition (ECCJ)	15 May 2017
12	European Commission	25 Jul 2012	32	European Commission	3 Apr 2017
13	European Commission	30 Jul 2012	33	SpainSIF (Eurosif)	21 Apr 2017
14	European Commission	8 Aug 2012	34	CIDSE (ECCJ)	5 Apr 2017
15	SRI expert (former MSCI, Eurosif)	7 Sep 2012	35	FIR (Eurosif)	2 May 2017
16	European Trade Union Confederation	2 Nov 2012	36	Trade Union Confederation	12 Apr 2017
17	European Commission	3 Nov 2012	37	ERIN/ShareAction (ECCJ/Eurosif)	20 Apr 2017
18	EUROSIF	22 Jan 2013	38	Trade Union Confederation	8 May 2017
19	Transparency International (NGO)	24 Jan 2013	39	European Commission	10 May 2017
20	<i>Forum citoyen pour la RSE</i> (member of ECCJ)	1 Mar 2013	40	ShareAction (ECCJ/Eurosif)	10 May 2017
			41	VBDO (Eurosif)	16 May 2017
			42	Business and Human Rights expert	19 May 2017

APG, Algemene Pensioen Groep; CIDSE, Coopération Internationale pour le Développement et la Solidarité; ECCJ, European Coalition for Corporate Justice; ERIN, European Responsible Investment Network; EU, European Union; FIR, French Sustainable Investment Forum; MSCI, Morgan Stanley Capital International; NGO, non-governmental organization; SOMO, Center for Research on Multinational Corporations; SRI, socially responsible investment; VBDO, Dutch Association of Investors for Sustainable Development.