

Corporate Social Responsibility at Cargolux



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ACC Europe 2007 Annual Conference: The Growing Role of In-house Counsel:
Lawyers as Business Partners

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Who is Cargolux?

- Pure air cargo carrier, based in Luxembourg
- Operating a fleet of 14 Boeing 747/400 freighters
- Flies to over 60 countries, Over 80 offices worldwide
- What do we carry: Engineering, mechanical and Oil-drilling equipment, fresh fruit, flowers & fish, electronics & computer hardware, automotive components, fashion goods and textiles, artworks, cars, racing cars, live animals (horses, etc.), pharmaceuticals, etc..
- Vital for many global industries, essential for trade flows to/from developing economies
- Staff : close to 1400, Revenues: 1,5 billion USD

CSR in Luxembourg

- Special economic environment of companies
 - Size
 - Boundaries
- CSR is yet a relatively unknown concept
- No unified approach in the industry
- Common definition of CSR missing
- Backed up by the State
- Legislation:
 - Law of June 25th 2004 on coordination of the national policy of sustainable development
 - Focuses on social, economical and environmental issues
 - National Council for sustainable development

CSR in Luxembourg (ctd)

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CSR at Cargolux

- So far, not much pressure by stakeholders
- Cargolux is one of the frontrunner of CSR in Luxembourg
 - National CSR Charter
- CSR is recognized by Cargolux as an integral part of the business model
 - Annual Report 2006
 - Corporate objective 2007

CSR at Cargolux (ctd)

- Projects being advertised as supportive of CSR:
 - Acquisition of environmentally friendly aircraft
 - New aircraft maintenance hangar
 - Facilitation of relations with customers
 - Social events

The in-house counsel as promoter of CSR

● At CV, Legal Dept. was able to focus on importance of CSR, because:

- Legal Dept. has a broad inhouse client base
- Define a “CSR culture” is natural to the legal profession
- Methodology
- Innovation
- KIS

In-house counsel as promoter of CSR (ctd)

- Help on identifying legislation relating to CSR – subject matters
- Make a risk analysis of the impact of CSR commitments
- Make cost/benefit analysis of the impact of CSR commitments
- Managing the relations with and the reactions of the various stakeholders of the CSR

Practical illustrations of in-house counsel impact on CSR

- Compliance
 - Code of Business Conduct and Ethics
 - Legal Dept. brought in a certain methodology
 - Awareness training

- Collective Bargaining Agreement
 - Benefits: social cohesion
 - Balance of concessions
 - Improved in-house communication
 - Ensure motivation of staff

Practical illustrations of in-house counsel impact on CSR

- Support of CSR national initiative
- Environmental-conscious equipment investment policy
- Company – wide harmonisation of practices / regulations

Summary of role of in-house counsel

- Active role
- Facilitating role as part of a team
- Background discussions as to legal aspects of CSR:
 - Should CSR be regulated?
 - Should CSR become part of the Boardroom duties?