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EUROPEAN BUSINESS AHEAD IN CSR

CSR IS AN INTEGRAL PART OF MODERN BUSINESS

1. Long before corporate social responsibility (CSR) became topical, many European employers and entrepreneurs were engaged in society, taking their role as corporate citizens seriously. Today, there is a continuous deep and broad ownership of CSR amongst European companies, as witnessed by the numerous CSR activities that have flourished and spread rapidly across the business landscape in recent years. They show that the business community is not only fully committed to but actively pursues socially responsible conduct, based on fundamental values such as equal opportunities, fair working conditions, exclusion of child labour, combating corruption and promoting sound environmental practices.
2. These core values are deeply inherent in the European way of doing business. Therefore, companies do not just engage in CSR in booming times, but continue in times when the outlook is not quite so bright. Indeed, despite the current economic downturn, European companies show no signs of lowering their level of ambition in their CSR activity.
3. On the contrary, against the backdrop of the global economic recession, a shrinking and greying European workforce, increasing worldwide competition, climate change, inadequate governance in some parts of the world and continuously high expectations of shareholders, employees and society at large, European businesses realise that socially responsible conduct is crucial to meeting today's challenges.
4. This is because whether explicitly detailed in reports or practised through some less formal means, CSR provides all companies, whether large multinationals or domestic SMEs, with a value-based tool which can help systematically to anticipate and respond to internal and external economic, social or environmental challenges. Thus, CSR is more than just words and window-dressing. It is an integral part of doing business; a fundamental risk-management strategy embedded in strategic decision-making at the core of the individual company.

EUROPEAN BUSINESSES ARE LEADING

5. In March 2006, the European Commission adopted a communication on CSR. The Commission stressed the potential of CSR to contribute to the European Strategy for Growth and Jobs and called upon the European business community to step up its commitment to CSR. European business welcomed this approach and the considerable progress which has been achieved in recent years in embedding CSR into business practice shows that European companies have risen to the challenge.



6. At the same time as the Commission communication, the Commission launched the European Alliance on CSR as a joint initiative with the business community. It had one purpose: to make Europe a pole of excellence in CSR. BUSINESSEUROPE did not hesitate to join the Alliance and as one of the three partners in the Alliance has helped to coordinate and facilitate its activity, mobilising member federations and resources of large and small European companies.
7. Under the umbrella of the Alliance, twenty laboratories have been set up. Together, they involve hundreds of business and stakeholder representatives across Europe. Through the laboratories, the business community has supported private sector initiatives in CSR, enabled networking and the exchange of experiences, and supported capacity-building and the development of joint projects between companies and their stakeholders. BUSINESSEUROPE itself has taken the lead in the laboratory on “Stimulating an Entrepreneurial Mindset and Promoting Entrepreneurship Education”.
8. At national level, BUSINESSEUROPE’s member federations work to provide companies with a platform that enables them to perform CSR activities in various ways with a broad spectrum of stakeholders and on a wide range of issues. Some national employer federations have notably played an important role in fostering the debate at this level and are coordinating networks whereby CSR activities can spread further. They seek to raise awareness and improve knowledge of CSR among Europe’s companies. They support the build-up of capacities and competences among individual companies and they work to ensure the right conditions for further development, including a strong stakeholder dialogue.
9. In the past couple of years numerous activities have been carried out, such as setting up websites, publishing brochures and developing practical tools to facilitate and support companies with their CSR activities. Training programmes on CSR have been launched jointly with schools and universities to enhance knowledge about sustainability. Roundtable discussions and seminars that bring together businesses, workers, think-tanks and state institutions have been organised, and assistance has been given on a wide range of issues from developing national voluntary agreements on, for example, saving energy to providing practical guidance on reducing carbon emissions.

LOOKING AHEAD

10. This engagement and these numerous activities are testament to the fact that socially responsible conduct and sustainable development are taken very seriously by the European business community. There is a continuous focus on developing sustainable businesses and CSR strategies through a constant dialogue with stakeholders, recognising that transparency is key to building trust and constructive partnership.
11. The evidence demonstrates that CSR is flourishing and companies must continue to have discretion to shape their commitment to society individually. This is because the type and shape of this commitment depends on the size of the company as well as on the sector, markets and communities in which it operates.



In reality, CSR is increasingly a key element in how companies address the different challenges they each face. It may be obvious that CSR activities of a small local company are completely different from those of a multinational company which produces mainly in a developing country. However, two similar companies in the same part of town may also have quite different CSR initiatives, since they often face differing challenges. For this reason, it is important to avoid one-size-fits-all policy approaches to CSR. Thus, harmonised standards or regulation on CSR would not make sense. This was a key point acknowledged and emphasised by the last CSR Multi-stakeholder Forum review meeting in February 2009.

12. If supported appropriately by governments and civil society, CSR can contribute to a number of the social, environmental and economic policy objectives of the EU. The European business community has already done much that testifies to this. It is important, however, to bear in mind that the initiatives of the individual company and business federations can only complement efforts made by policy-makers and other stakeholders – it cannot supplant the role of government.
13. In order to support and encourage the CSR initiatives of European companies, BUSINESSEUROPE recommends that policy-makers focus on:
 - Creating the best possible framework conditions for European companies by, for instance, focusing on skills developments, diversity policies and support of new technologies. This will allow companies to develop a responsible and sustainable growth path and to successfully compete in a global economy – and increase the potential for CSR as an international competitive resource.
 - Strengthening European business competitiveness by viewing CSR in an international rather than a purely European context, given the ever more complex trans-national network of companies and their supply chains. European companies already make strenuous efforts to uphold and implement the principles set out by the ILO, the OECD and the UN.ⁱ In countries with inadequate governance, however, there is a role to play for policy-makers to build capacity, to spread good practice and to facilitate the enforcement of existing legal frameworks.
 - Pursuing a stock-taking exercise every two years to update and raise the general level of knowledge about different paths to CSR in the EU member states. This would facilitate monitoring of the progress in this field and enable companies to voice their concerns with difficulties of implementing CSR policies in some circumstances.
14. For their part, BUSINESSEUROPE and companies across Europe are ready to continue and strengthen their pro-active work on CSR through constructive cooperation with policy-makers and other stakeholders at national and international level. This to create a strong, competitive Europe based on sustainable development and progress.

ⁱ The ILO Tripartite Declarations of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact