



5 September 2011

MEETING OF MR ANTONIO TAJANI, EUROPEAN COMMISSION VICE-PRESIDENT, WITH BUSINESSEUROPE DIRECTOR GENERAL

7 SEPTEMBER 2011, BRUSSELS

EU APPROACH TO CSR - BUSINESSEUROPE KEY MESSAGES

BUSINESSEUROPE in June 2011 published a Position Paper, "EU CSR Policy – A Business Vision". This highlights the key principles which the business community believes should be at the core of the future EU policy on CSR:

- The role of DG Enterprise and Industry in driving and coordinating the CSR agenda should be maintained and there should be better coordination of EU policies related to CSR.
- The EU approach to CSR must continue to be based on the awareness that it is driven by business.
- Companies have already made advances in the field of CSR, developing innovative practices in many cases.
- The vast majority of companies already consider their stakeholders in defining and undertaking their business activities, as they are acutely aware of the importance of having good relations with their employees, shareholders, customers and society to remain competitive.
- EU policy should allow companies to find the approach which best fits their specific situation, taking account of the natural diversity in CSR policies and practices.
- To increase the uptake of CSR, it should be promoted as a tool which can improve business performance.
- Future EU CSR policy should not interfere with the many international CSR frameworks, standards and guidelines, which many companies follow.
- The EU can usefully promote and encourage the uptake of CSR through policy and practical initiatives, but a specific EU framework for CSR would not add value.
- An increasing number of companies choose to be transparent about their business operations, as they believe that this has or could have a positive return in terms of business position in the market, image, coherence with company ethics, risk management, etc.
- Disclosure of non-financial information, including through sustainability reporting has developed extensively - According to a 2008 study by KPMG, 80% of the 250 largest enterprises worldwide now report on their social and ecological behaviour.
- Laying down obligations which prescribe the form, way and content of non-financial information that companies may disclose will jeopardise this essential added value of CSR.



NEW EU COMMUNICATION ON CSR – KEY ISSUES FOR BUSINESS

- The forthcoming Commission's communication should acknowledge the significant progress made by European companies in the field of CSR, including the growing trend to integrate CSR in company strategies and the increasing number of European companies reporting on CSR. It should avoid any CSR initiative which brings unnecessary costs or burdens on European companies, or has a negative impact on these trends.
- The Commission should avoid setting further, more rigid requirements for companies in terms of disclosure of non-financial information. Current legislation is sufficient. If, however the Commission does take action in this field, it should assure that companies are able to decide the form, way and content of the non-financial information they disclose.
- It is important to distinguish between CSR and social dialogue instruments. Social dialogue agreements are negotiated between employers and employees in the specific framework of the industrial relations system in which the company operates. CSR is a voluntary initiative by companies, which involves a much broader group of stakeholders. Workers are much more than stakeholders of the company and should therefore not be grouped together with other stakeholders such as customers, society at large, or investors.
- The Commission's approach in the new communication should be based on the principle that business generally has a positive role in society. Companies have a positive impact by providing jobs and wealth. They respond to the challenges, needs and desires of society and consumers in the services and products they provide.
- The emphasis in the new communication should be on the role of stakeholders in partnership, not in conflict with business. The vast majority of companies consider their stakeholders seriously in defining and undertaking their business activities and many companies work with stakeholders to deal with major challenges.
- The approach of the Commission should continue to be supporting and encouraging enterprises to develop CSR policies voluntarily, avoiding interventionist and regulatory measures at EU level or by national public authorities. This would harm the added value of CSR, based on a real understanding and belief of companies in the business benefits of CSR.
- As already highlighted to Commission Vice-President Tajani in our letter of 27 June, we have some suggestions for practical initiatives to contribute to increasing the uptake of CSR: exchanges of experience on company CSR practices in some sectors, according to their specificities; providing practical advice on CSR to companies, particularly SMEs, possibly through the Europe Enterprise Network; and raising awareness on the UN Guiding Principles on Human Rights, to assist in their implementation.



- EU CSR Policy should not interfere with the many international level frameworks and guidelines on CSR, which many companies use. In this context, an EU level framework on CSR would have no added value. Similarly, setting obligations at EU level for companies to comply with international frameworks on CSR would not be appropriate, since these are voluntary instruments.
- CSR can be an element of the dialogue with partner countries and regions with which the EU is conducting trade negotiations in a general way. However, including legally binding CSR clauses in Free Trade Agreements would bring risks for EU companies wishing to invest in emerging markets and may deter them from investing in developing economies. This could be detrimental to their economic development.

* * *