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### **FOSTERING CORPORATE RESPONSIBILITY THROUGH SELF- AND CO-REGULATION: THE CASE OF SECTOR-SPECIFIC INITIATIVES**

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#### **Commission's initiative on principles for better self- and co-regulation**

##### **Introduction**

- BUSINESSEUROPE regards self- and co-regulation as valuable alternatives to regulatory measures.
- The definition of self-regulation in the 2003 Inter-Institutional Agreement on better law-making is the possibility for economic operators, the social partners, NGOs or associations to adopt amongst themselves and for themselves common guidelines.

##### **Self and co-regulation at EU level**

- As part of its impact assessments, it is important that the Commission always considers self- and co-regulation as a credible option.
- BUSINESSEUROPE appreciates that the Commission, in line with our position, has finally decided against a code on effective and open voluntarism.
- The now published Principles for Better Self- and Co-regulation are more favourable since they are not prescriptive but indicative. At the same time, we are not convinced about this initiative either, as the principles are very detailed and could be a straightjacket for companies. This does not match the diversity of companies' needs and approaches. We are in the process of assessing these principles taking into account the better regulation agenda.
- We have also strong concerns about the recently published draft directive on disclosure of non-financial information. The proposed regulatory approach to Corporate Social Responsibility is running the risk of demotivating all companies that have embarked on genuine CSR activities on their own.
- Instead of applying a ticking-the-box approach, the business-driven purpose of CSR - to contribute to business goals by addressing social and environmental challenges over and above what is required by law - must be safeguarded.



### **Self-and co-regulation in the field of CSR at company or sectoral level**

- The development of self and co-regulation in the area of Corporate Social Responsibility at company level is based on voluntary initiatives of companies.
- It is important to recognise that self and co-regulation is simply one of the instruments which companies use as part of their CSR activities.
- Self- and co-regulation initiatives may have added value for companies and other stakeholders where:
  - **They are demand-driven;**
  - They provide the possibility to have an **approach tailor-made** to the specific characteristics of the company and sector and to target specific issues in a cooperative way between stakeholders;
  - They give **freedom of choice** in which stakeholders to work with;
  - They **respect the specific nature of the area under consideration.**
- As regards sectoral initiatives, industry representatives in the sectors concerned are best placed to assess the potential added value of self- and co-regulation to serve their needs. This also applies to the recent initiative of the Commission "ICT4society".
- Public actors may have a useful role to play to exchange practices such as what is proposed with the community of practice.
- At European level, a broader exercise of collating and promoting good practice examples, across a range of countries, sectors and companies could be useful if well-conceived by the Commission. This could allow for better informed decisions by companies through the exchange and publicizing of good practice examples. This information could then be made available to a wider group of stakeholders.

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