

**European Commission
Communication on CSR –
initial ideas and draft outline**



European Commission
Enterprise and Industry

Background and context

- Last communication 2006
- Europe 2020
- Economic and financial crisis
- New international developments (global instruments, 3rd countries)
- Expectations of Member States, European Parliament, different stakeholders

Possible structure

- Introduction:
 - CSR in context of Europe 2020: smart, sustainable and inclusive growth
 - Progress and remaining challenges in the field of CSR
 - The need for a new communication / European added value
- A modern understanding of CSR
 - including the role of public authorities
- An agenda for action

A modern understanding of CSR

- Requires engagement with and transparency towards stakeholders
- Must be based on respect for legislation and collective agreements
- Has responsibility/accountability dimension and opportunity/innovation dimension
- Creating shared value for owners/shareholders and for other stakeholders/society at large

The role of public authorities

- CSR must be lead by business. Public authorities and others play supporting role.
- Public authorities:
 - Encourage and facilitate
 - Articulate minimum expectations
 - Set policies and regulations necessary to create market incentives and ensure corporate accountability
- Public authorities use smart mix of mainly voluntary and where necessary regulatory instruments. CSR cannot be comprehensively and effectively imposed by law.

Agenda for action: the basics

- Commitments from Commission itself and proposals for enterprises, Member States and other stakeholders
- Promote demand/reward for CSR, and supply of CSR from enterprises
- Take account of differences SMEs / other enterprises

Agenda for action: content (1)

- ✓ Recognising and enhancing the societal impact of business
- ✓ Improving and tracking levels of trust in business
- ✓ Focusing on respect for internationally agreed CSR instruments

Agenda for action: content (2)

- ✓ Shaping the market by promoting responsible consumption
- ✓ Shaping the market by promoting responsible public procurement
- ✓ Shaping the market by promoting responsible investment

Agenda for action: content (3)

- ✓ Improving company disclosure of social and environmental information
- ✓ Implementing the UN Business and Human Rights Framework
- ✓ Emphasising CSR in relations with other countries and regions in the world

Agenda for action: content (4)

- ✓ Further integrating CSR into education and research
- ✓ Emphasising the importance of national and sub-national CSR policies
- ✓ Coordination and Monitoring