EU Strategy on Corporate Social Responsibility

Corporate social responsibility (CSR) refers to companies taking responsibility for their impact on society. CSR is important for the sustainability, competitiveness, and innovation of EU enterprises and the EU economy. It brings benefits for risk management, cost savings, access to capital, customer relationships, and human resource management.

The European Commission promotes CSR in the EU and encourages enterprises to adhere to international guidelines and principles. Relevant EU policy is built on an agenda for action aiming at:

- enhancing the visibility of CSR and disseminating good practices;
- improving and tracking levels of trust in business;
- improving self and co-regulation processes;
- enhancing market rewards for CSR;
- improving company disclosure of social and environmental information;
- further integrating CSR into education, training, and research;
- emphasising the importance of national and sub-national CSR policies;
- better aligning European and global approaches to CSR.

CSR is generally company led, but public authorities can play a supporting role through a smart mix of voluntary policy measures and, where necessary, complementary regulation.

European CSR Awards winners' video, 2013

Implementing the EU Strategy on CSR: going beyond required compliance

Corporate social responsibility refers to companies voluntarily going beyond what the law requires to achieve social and environmental objectives during the course of their daily business activities. In Europe, it covers a range of areas:

- Europe 2020 (especially new skills and jobs, youth, local development)
- Business and human rights
- CSR reporting
- Socially responsible public procurement

The EU Strategy on CSR has delivered a number of achievements, notably:

- the European CSR Awards;
- the European Directive on Non-Financial Reporting, and
- the EC initiative on the Product Environmental Footprint.

INTERNATIONAL DIMENSION

As most of Europe's consumption involves products that are either fully imported or to some extent manufactured with parts produced in other areas of the world, CSR for European companies or retailers often extends beyond the borders of the EU. It demands that supply chains are fully certified or audited to ensure that environmental and occupational health and safety standards are also respected in the companies supplying EU markets. In this context, the European Commission works with the ILO, OECD, UN as well as with the G20, and other international organisations and forums to:

- promote the social dimension of globalisation;
- promote decent work for all covering:
    - productive and freely chosen employment;
    - rights at work including the core labour standards;
    - social protection;
    - social dialogue;
- implement the external dimension of the Europe 2020 strategy for growth and jobs.

Transfer of EU experience (Replication potential outside the EU)

A large part of the products consumed in Europe are imported from other regions, including from developing countries, where companies often have fewer resources and support to apply labour protection, environmental management, and warrant financial transparency. Notwithstanding the aforementioned difficulties that companies may face in developing contexts, it remains equally important to ensure that both products and their production are respecting a minimum of social and environmental conditions upstream global value chains and live up to the expectations of consumers.

Lessons learnt from Europe on implementing CSR can help manufacturers in global supply and value chains to implement sustainable business and apply social and environmental accountability, responsibility and transparency. To do so, it is first of all important to develop a national strategy for CSR, including a mapping of problems to be addressed by key sectors, in order to establish necessary technical support. An example from Europe is the EU Sector Guides listed under key implementation achievements. It is also important to develop voluntary tools, such as the European Directive on Non-Financial Reporting and EMAS, which support companies to report on progress achieved and to gain higher reputation among retailers and consumers.

CSR in practice: experience in the EU

At EU level:

- The European Foundation for the Improvement of Living and Working Conditions (EUROFOUND) delivers and disseminates important knowledge on work-related and social matters to contribute to sound and evidence-based policies in those fields.
- The European Agency for Safety and Health at Work (EU-OSHA) is committed to making Europe a safer, healthier and more productive place to work. For example, it identifies and assesses new and emerging risks at work.
- The European Centre for the Development of Vocational Training (CEDEFOP) supports development of European vocational education and training and in-service training policies and contributes to their implementation.
- The European Training Foundation (ETF) helps transition and developing countries to harness the potential

of their human capital through the reform of education, training and labour market systems in the context of the EU's external relations policy.

At national / regional level:

- France: law imposing due diligence on multinationals
- All EU: A Roadmap for Integrating Corporate Social Responsibility into EU Member States and Business Practises

National Action Plans on Business and Human Rights in EU countries:

- United Kingdom
- Netherlands
- Italy
- Denmark
- Finland
- Lithuania
- Sweden

CSR in practice: experience beyond the EU

- CSR, Extractives and Sustainable Development - Making the Links in Mozambique
- SMART Myanmar - SMEs for environmental Accountability, Responsibility and Transparency
- CSR Vietnam - Helping Vietnamese SMEs Adapt & Adopt CSR for Improved Linkages with Global Supply Chains in Sustainable Production

Key implementation achievements include:

- European CSR Awards: a pan-European Award Scheme to inspire CSR excellence in multi-stakeholder projects;
- the European Directive on Non-Financial Reporting providing shareholders and other stakeholders with a meaningful, comprehensive view of the position and performance of companies;
- the EC initiative on the Product Environmental Footprint facilitating the future establishment of carbon audits for organisations and the calculation of the carbon footprint of products;
- the Sector Guides in support of the UN Guiding Principles on Business and Human Rights
- the Communication on Engaging the Private Sector in Developing Countries; and
- EMAS: Eco-Management and Audit Scheme: a voluntary scheme aiming to promote continuous improvement of organisations' environmental performance.