

# CEEMET'S COMMENTS ON THE EUROPEAN COMMISSION'S STRATEGY ON CORPORATE SOCIAL RESPONSIBILITY 2011- 2014

The Commission launched a public consultation on the implementation of its CSR policy. CEEMET wishes here to respond to the consultation by commenting and assessing the Commission's CSR strategy and the followed actions.

The Commission states in its CSR Strategy COM (2011)681 that *"a strategic approach to CSR is increasingly important to the competitiveness of enterprises"*. The Commission also states that *"the development of CSR should be led by enterprises themselves."* CEEMET strongly supports this view.

Companies – like all stakeholders of CSR – must consider if and how it makes sense to engage in CSR initiatives. This is the case when CSR initiatives are consistent with the companies' strategies and when they are economically sustainable. **Therefore, CEEMET stresses that CSR activities should be business-driven in order to create shared value for both society and companies and they should remain voluntary.**

In its CSR Communication of 2011 the Commission put forward **an action agenda covering eight areas**. CEEMET welcomes the Commission work in **"enhancing the visibility of CSR and disseminating good practices"**. It is always beneficial to promote CSR practices, raise awareness and share good practices. Companies

largely carry out CSR initiatives that are business-driven. In order to achieve best and genuine results, the CSR practices need to be voluntarily integrated with the firm's strategy.

Indeed, this is the level at which the Commission should engage in a policy on CSR in CEEMET's view. The Commission has carried out numerous beneficial actions by now when it comes to supporting the CSR initiatives. The Commission has no doubt been impactful in its CSR policy. It is time to leave it to the companies and organisations now to promote the CSR practices further since they have the advantage of being close to business, and knowing what kind of practices suit them best. However, the Commission is in a good position to organise open meetings for organisations, companies, universities, NGOs and other stakeholders to exchange ideas and best practices. **Therefore, the Commission should continue and re-enforce its role as a "CSR facilitator" also in the future.**

When it comes to **"improving company disclosure of social and environmental information"**, CEEMET finds the Commission's new review of the accounting directives 78/660/EEC and 83/349/EEC counterproductive.

The new approach urges companies to either install CSR-policies in all areas mentioned in the new accounting directive or to explain why they didn't – thus it will force companies into the defensive instead of motivating them in a positive manner. This easily leads to a situation where fulfilling the minimum requirements regarding the reporting obligations will be more important than supporting only certain CSR initiatives but wholeheartedly and for good reasons.

**In the consultation, a question is asked about "the most important contribution" of the CSR Communication.** CEEMET would say that the Commission has succeeded in emphasising the importance of CSR with companies and the society as a whole. It has also enhanced visibility by organising the CSR Awards and starting the voluntary CSR platforms in some industrial sectors.

**Concerning the new EU definition of CSR, CEEMET finds it problematic.** In the original



definition, CSR was described as “*a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis*”. This allowed companies to be innovative and creative in their CSR practices and include areas such as environmentally sound production practices, community relations, corporate philanthropy, stakeholder engagement, charity and equal employment opportunity policies.

The new EU definition, “the responsibility of enterprises for their impacts on society”, has clearly moved away from the voluntary nature of CSR. It is thus less inspiring for companies to genuinely create something new when the CSR practices are already defined as obligatory and imposed on them by regulations.

**Responding to the consultations’ question about the Commission’s main roles, CEEMET sees them** being 1) raising awareness and visibility of CSR alongside 2) bringing stakeholders together around key CSR issues. Therefore, the main objectives in the future should include a) raising the visibility and importance of CSR amongst all societal actors, b) supporting companies in adhering to CSR principles for example through guiding material and c) working on better education on CSR in business schools, universities and other education institutions.

Companies have different reasons for carrying out CSR practices and there is no single CSR business case. The Commission asks **if CSR has an important impact on the medium/long term competitiveness of the EU economy**. CSR practices are often carried out to build competitive advantage and to differentiate an individual company from its competitors for its benefit. When the CSR practices are based on voluntary action properly integrated with the companies’ business strategies carrying them out should make good business sense.

**Concerning sustainability of the EU economy as a whole**, energy-saving and environmentally sustainable practices no doubt contribute to the sustainability goals.

Companies may already rely upon guidance provided by internationally recognised principles and guidelines, such as the OECD Guidelines for

Multinational Enterprises, the ten principles of the United Nations Global Compact and the Guiding Principles on Business and Human Rights, the ISO 26000 Guidance Standard on Social Responsibility, the ILO Tri-partite Declaration of Principles Concerning Multinational Enterprises and Social Policy and the Global Reporting Initiative. **CEEMET believes that having an additional EU-layer on top of this list would just add complication rather than value for European companies and their stakeholders.**

**In general, CSR should remain voluntary and business-driven practice.** CEEMET fears that forcing to CSR will reduce creativity and companies’ and organisations’ own initiative. It will result in less enthusiastic initiatives in addition to possible financial burden that proper regulation would bring.

The Commission should continue to play an important role in CSR promotion, information sharing and benchmarking companies’ and organisations’ CSR initiatives. This will certainly lead to CSR becoming a natural part of these actors’ everyday business as it has widely happened already.

#### **About CEEMET:**

**CEEMET (Council of European Employers of the Metal, Engineering and Technology-Based Industries)** is the European employers’ organisation representing the interests of the metal, engineering and technology-based industries. Through its national member organisations it represents 200 000 companies across Europe. The vast majority of them are SMEs, providing over 35 million direct and indirect jobs.

