Corporate social responsibility, contribution to sustainable development

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PURPOSE : to propose a new Commission strategy to promote business contribution to sustainable development. CONTENT : in July 2001, the Commission presented a Green Paper "promoting a European Framework for Corporate Social Responsibility". The aims of this document were, firstly, to launch a debate about the concept of corporate social responsibility (CSR) and, secondly, to identify how to build a partnership for the development of a European framework for the promotion of CSR. This policy paper calls for a new social and environmental r·le for business in a global economy and sets up a 'European Multi-Stakeholder Forum' for all players social partners, business networks, civil society, consumers and investors to exchange best practice, to establish principles for codes of conduct and to seek consensus on objective evaluation methods and validation tools such as 'social labels'. The strategy seeks to complement existing initiatives by companies themselves and by public organisations such as the OECD and the UN. CSR is defined as voluntary social and environmental practices of business, linked to their core activities, which go beyond companies' existing legal obligations. The strategy will also support CSR in small and medium-size undertakings ('SMEs'), in particular by identifying the business case for CSR and by awareness raising of SMEs. The Commission proposes to build its strategy to promote CSR on a number of principles. These are as follows: - recognition of voluntary nature of CSR; - need for credibility and transparency of CSR practices; - focus on activities where Community involvement adds value; - balanced and all-encompassing approach to CSR, including economic, social and environmental issues as well as consumer interests; - attention to the needs and characteristics of SMEs; - support and compatibility with existing international agreements and instruments (ILO core labour standards, OECD guidelines for multinational enterprises). The Commission has an important role to play in CSR, bringing together businesses across Europe to share best practice and to establish common principles for evaluation. Finally, the Commission will work towards building CSR principles into all other EU policies, for example by promoting better understanding of CSR in developing countries. The Commission will publish a report on the work of the European Multistakeholder Forum in 2004.