Corporate social responsibility: implementing the partnership for growth and jobs

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The committee adopted the own-initiative report drawn up by Richard HOWITT (PES, UK) in response to the Commission communication on corporate social responsibility (CSR). The committee stressed that increasing social and environmental responsibility by business, linked to the principle of corporate accountability, represents an essential element of the European Social Model and of Europe's Strategy for Sustainable Development. It called on stakeholders to 'depolarise' the European debate on CRS by not supporting either exclusively voluntary or mandatory approaches. CSR policies should be promoted on their own merits, "neither as a substitute for appropriate legislation in relevant fields, nor as a covert approach to introducing such legislation".

The Commission was urged to ensure a single point of coordination for the proposed European Alliance for Corporate Social Responsibility and to invite representatives from a number of national, regional and local governments committed to using procurement and other public policy tools to advance CSR to form their own 'laboratory' under the Alliance and to integrate their findings in its future work.

On the link between CSR and competitiveness, the report welcomed the objective, as set out in the Commission Communication, of linking CSR to the economic, social and environmental aims of the Lisbon Agenda. The committee recognised CRS as "an important business driver" and called for social policies and environmental issues to be integrated into EU innovation and trade policies as well as into various competitiveness strategies. It also called for further dialogue on the fundamental contradiction between competitive sourcing strategies by companies seeking improvement in flexibility and cost, and voluntary CSR commitments seeking to avoid exploitative employment practices.

As regards better regulation, MEPs affirmed that CSR policies can be enhanced by better awareness and implementation of existing legal instruments, and reiterated that the Commission and the Member States should make use of the opportunities provided by the revised versions of the Public Procurement Directives by applying social and environmental clauses to their contracts or to disqualify companies where necessary, including in instances of corruption. The report also pointed out that good legislation had been developed in the field of 'soft' law, and that this offered incentives to companies which complied with CSR principles, while allowing companies that had not yet signed up to these principles the necessary time to adapt.

A far as CSR instruments are concerned, the committee called for the EU to adopt a European standard for product labelling where observance of human rights and fundamental workers' rights are part of the labelling scheme. The Commission was also urged to implement a mechanism by which victims, including third-country nationals, can seek redress against European companies in the national courts of the Member States.

On mainstreaming, the committee welcomed the Commission's commitments to supporting and promoting CSR across all its fields of activities, and called for this to be translated into concrete action. Among its recommendations, it called for the Commission to make more efforts to support CSR in relation to EU companies operating in third countries through its external assistance programmes, and for CSR to be better integrated into EU trade policy, e.g. through the introduction into all agreements of binding articles complying with internationally-agreed CSR standards.

Lastly, on the question of Europe's contribution to Global CSR, the committee said that "the potential impact of CSR policies remains greatest in relation to companies' global supply chains", and called on the Commission to launch specific research into that impact and to put forward proposals to increase responsible investment by firms. Amongst other recommendations, it urged the Commission, working with other relevant partners, to organise a major international initiative in 2007 to mark the fifth anniversary of the commitment agreed at the World Summit on Sustainable Development to undertake inter-governmental initiatives in the field of corporate accountability.