

# The European and global agenda of CSR

## Joint Event of CSR Europe and Japan Business Council in Europe

### 1 April 2014



#### SUMMARY

**Participants:** 30 participants from companies (Bridgestone, Edenred, Canon, Hitachi, Mitsubishi Corp., Mitsubishi Electric, Mitsui & Co., NEC, Nikon, Panasonic, Sharp Electronics, Solvay, Sony), European Commission, European Parliament, JBCE and CSR Europe.

#### Key messages:

- Collaboration (cross-sectorial, with EU, with JBCE and CSR Europe, between EU and Japan) is key to reach smart, sustainable and inclusive growth
- Non-financial reporting is important for companies to understand their environmental and social impact and to enhance competitiveness
- Try to integrate CSR into your business strategy on a long-term basis
- Considering human rights, supply chain issues and grievance mechanisms is key
- CSR is more and more integrated into other policy initiatives. Companies are enablers of social innovation and development

#### Next steps:

- CSR Europe and JBCE will explore further collaboration opportunities (eg. human rights, reporting, etc.) in the future to enhance smart, sustainable and inclusive growth in Europe

#### MAIN DISCUSSION POINTS

##### Part 1: Aligning business and policy priorities & cooperation in the context of EU 2020

##### Richard Howitt, Member of the European Parliament

- How can we shape the future EU CSR trends and make sure the EC keeps CSR as a priority?
- Debating on the roots of recession it is important to understand the stress on transparency. Non-financial disclosure is important to help business understand their environmental and social impact and include it in their strategic choices on social inclusion, disadvantaged groups and social entrepreneurship
- Human rights debate and National Action Plans on CSR promoting UN guiding principles on Business and Human rights
- Last global trends in Davos → switch to long-term (responsible) investment.

**Yukihiro Kawaguchi, Secretary General, Japan Business Council in Europe**

- JBCE has contributed to CSR policy for many years
- JBCE is a European organization that represents the interests of multinational companies of Japanese parentage operating in Europe. Since its creation in 1999 they are contributing to the EU public policy, working as a bridge between the EU and Japan.
- JBCE sets 3 main priorities:
  - Promote open trade and investment
  - Encourage common regulatory framework
  - Foster responsible business conduct → which is the basis for the other two priorities and are at the heart of Japan-EU relations
- CSR can be a catalysis through which we can have communications with variety of stakeholders in order to share our value and to contribute to the sustainable development of the European economy.

**Stefan Crets, Executive Director, CSR Europe**

- The crisis has only increased the attention and the work on CSR and the 'need' for non-financial reporting
- Power of collaboration (with organizations such as JBCE, GRI, IIRC, WBCSD)
- 2 questions:
  - How business and policy development can complement each other with cooperation?
  - What can we do together?

**Latest EU developments impacting companies' strategies and CSR policies:**

**Sue Bird, Policy Coordinator CSR, European Commission DG EMPL**

- We share the fact that the crisis didn't diminish activities in CSR. In the past we separated CSR from other issues, while CSR needs to be embedded in business strategy
- National Action Plans on CSR through peer review mechanism (identify cross-cutting issues and learn from each other). Some examples of key issues: transparency, social employment, governance, responsible consumption, anti-corruption and standardization. Compendium of national EU CSR policies will be published soon
- The Commission is now working on financial instruments addressing some issues through private companies on social entrepreneurship (social investment package)

**Nicolas Bernier-Abad, Policy Officer Accounting and Financial Reporting, European Commission DG MARKT**

- Celebration of Non-Financial Reporting. Recognize the efforts of CSR Europe and JBCE
- There is plenty of time to adjust to the new Directive on Non-Financial Reporting because this only becomes applicable to companies in 2017
- There is a need for guidance on non-financial reporting. Commission will review a mandate to work on guidance to be ready in 2016. We count on CSR Europe and JBCE as stakeholders to have a commitment from companies
- Transparency reporting is used as an instrument that could facilitate a more responsible business approach.

***Q: What do you mean by guidelines on non-financial reporting?***

**A:** There are so many players who produced guidelines to avoid misunderstanding on implementation but there is still no clear guidance (eg. in the area of corruption). Translate it into business language. These efforts need to be complemented by companies and investors to explain the relevance.

***Q: Are there any updates on bribery and anti-corruption issues at EU level?***

**A:** There is a report on corruption in the EU, done by DG HOME. DG DEVCO is writing a Communication on the role of business in developing countries, where this issue might also be addressed.

### **How do companies contribute to the EU/global initiatives through CSR Europe and JBCE?**

#### **Yukako Kinoshita, CSR Committee Chair, Japan Business Council in Europe**

- As one of the European stakeholders, JBCE can contribute to the European CSR Policy by making it 1) workable for the multi-national companies, 2) compatible with global frameworks, and 3) effective for the EU to lead international CSR policy.
- With its three objectives 1) Contributing to the European CSR Policy, 2) Bridging European and Japanese CSR players and platforms, 3) Providing information exchange platform for member companies, CSR Committee has tried to be more involved and has taken a more proactive approach as a European stakeholder (ICT guidelines on human rights, conflict minerals, non-financial reporting, etc.) since 2008
- Non-financial reporting has always been important because the discussion focuses on the real purpose of the sustainability reporting and what value good reporting can bring. Putting the importance of company's judgment on materiality, a consistent transposition of the new reporting rules in the EU and more education and training for analysts and investors are needed.
- JBCE welcomes the new definition of CSR, proactive role taken by the EU institutions on CSR Policy, open and multistakeholder approach and efforts to align the policy with globally recognized standards. JBCE requests EU institutions 1) to encourage those companies who are leading CSR, 2) to more articulate the policy linkages from a CSR view point and 3) to support companies to focus more on the positive impact.
- CSR is more and more integrated into other policy initiatives. Companies are enablers of social innovation and development.

#### **Jan Noterdaeme, Senior Advisor on External Relations, CSR Europe**

- CSR Europe has experiences in engaging companies with the EU at different levels.
- CSR Europe translates and provides info material for business on EU CSR developments
- Dialogue and collaboration with the EU can take three forms:
  - Stakeholder dialogues
  - Collaborative projects (business & human rights, health and wellbeing, active ageing)
- Co-design and influence policy direction (e.g. appeal of Jacques Delors)
- How can you participate?
  - Enterprise 2020 which justifies every action of CSR Europe
  - One example: European Action Plan on integrated performance and reporting

### **Part 2: Round table discussion: The business agenda on CSR seeking for collaboration**

#### **Supply chain and Transparency (focus on human rights and reporting)**

##### **Davide del Canale, Non-Financial Reporting, Solvay**

- Deploy efficient extra-financial reporting tools that could be used internally and externally
- This tool follows the financial, operational and non-financial performance

### **Opportunities of social innovation and shared value creation through collaboration**

#### **Dirk de Cock, General Manager CSR, Bridgestone**

- We are embarking on a journey to start collaboration on sustainability and to bring solutions for society – Involvement in Sustainable Living in Cities Campaign of CSR Europe
- Now we can measure and reduce the footprint of tiers. Social innovation: the reality is so complex that you cannot solve all these issues on your own - Collaboration is key.

**Nolwenn Bertrand, European Affairs Developer, Edenred**

- FOOD programme: the issue is health at work and healthy nutrition and how to tackle this. Meal vouchers to collaborate with employees suggesting healthy options and not imposing things
- Use meal vouchers to connect restaurants with companies (different sectors)
- Nutrition is only one aspect but it is the answer to more issues
- Part of Healthy Lifestyles project of Sustainable Living in Cities Campaign

**DISCUSSION****Where do you see scope and need for collaboration having the context of the EU CSR strategy in mind?**

- Everything that is on the EU CSR strategy agenda affects us (eg. human rights, reporting, etc.)
- The challenge is the human rights issue and its meaning. It can still be a different definition from EU to Japan.
- Supply chain – collaboration with suppliers (capacity-building versus assessment and involvement) and how to engage with SMEs
- “Together for sustainability” initiative: sending one questionnaire to suppliers
- Establish more entrepreneurial and intrapreneurial mind-sets in our organization. How company can address societal issues and human rights?
- Grievance mechanism: different systems to assess in different countries. The collaboration with other companies is essential to share the burden of research in different countries.
- Big data as a source of innovation, but taking data protection into consideration

**Conclusions by Hans Daems, Group Public Affairs Officer, Hitachi**

- 1 April is the beginning of the new financial year in Japan. New year’s resolutions: the longer term, collaboration (cross-sectorial, with EU, with JBCE and CSR Europe, between EU and Japan) and integration, ethics, anti-bribery, anti-corruption, trust, reputation, sustainability
- Work together to make it happen and lead by example. Seize opportunities
- Policy of CSR is expanding and becoming normal day-to-day practice in different DGs. The same applies for business – CSR is becoming more integrated and mainstreamed.

**Conclusions by Richard Howitt, Member of the European Parliament**

- Impact assessments and stakeholder dialogues are useful mechanisms to define materiality issues and impact for a company
- Human rights developments and supply chain management, especially with regards to grievance mechanisms, are crucial in defining the sustainability agenda
- With regards to CSR reporting and the EU Directive on Non-Financial Reporting, there is a need to scale up and improve reporting in Europe. Be part of these developments, even if you are not directly concerned, to shape the business and policy agendas on CSR.