

European Commission
DG Enterprise and Industry,
Unit D.1 Entrepreneurship and Social Economy
Avenue d'Auderghem 45, 1040 Brussels, Belgium

ENTR-CSR-Survey-2014@ec.europa.eu

13 August 2014

Dear Sirs,

The European Commission's strategy on Corporate Social Responsibility (CSR) 2011-2014: achievements, shortcomings and future challenges

Introduction

We are the Quoted Companies Alliance, the independent membership organisation that champions the interests of small to mid-size quoted companies. Their individual market capitalisations tend to be below £500m.

The Quoted Companies Alliance is a founder member of European **Issuers**, which represents over 9,000 quoted companies in fourteen European countries.

The Quoted Companies Alliance Corporate Governance Expert Group has examined your proposals and advised on this response. A list of members of the Expert Group is at Appendix A.

Responses to specific questions

3 The role of the Commission in CSR

3.1 Please indicate whether you think that the Commission should engage in a policy on CSR? (5 = highest, 1 = lowest indicator)

5
4
3 **x**
2
1

3.2 Please indicate whether you think that the Commission puts adequate emphasis on CSR? (5 = highest, 1 = lowest indicator)

5
4 **x**
3
2
1

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3.3 To date, who would you say have been the most important actors in promoting CSR? Please choose maximum three answers

- Private sector (Company, Social enterprise, Business Associations, Investment community)
- Public authorities (European, National, Regional, Local)
- International organisations
- Civil Society Organisations (CSO)
- Consumers (citizens)
- Business customers
- Academia (universities, including business schools, research organisations)
- Others, please specify

4 About the Commission's activities in CSR

4.1 How would you assess the overall impact of the Commission's policy on CSR?

- Very useful
- Useful
- Less useful
- Not useful
- Neutral

4.2 What would you say has been the most important contribution of the CSR Communication (COM(2011) 681)? Please choose maximum three answers

- A new definition of CSR
- International leadership and setting of minimum expectations in CSR
- Emphasising the importance of CSR with companies and the society as a whole
- Mainstreaming CSR in a wide range of policies
- Enhancement of visibility (CSR awards, MSF platforms)
- Improving framework conditions (market incentives, e.g. public procurement)
- The proposal for a Directive on the disclosure of non-financial and diversity information by certain large companies and groups
- Publication of guiding material on CSR
- Other, please specify (maximum 100 characters)

4.3 In the 2011 CSR Communication (COM(2011) 681), the Commission outlined an agenda for action which includes eight priority work streams. Regarding the topics of this agenda for action, please assess the activity streams according to importance:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 1. Enhancing the visibility of CSR and disseminating good practices
(see European CSR awards, multi-stakeholder platforms) | very important |
| 2. Improving and tracking levels of trust in business | less important |
| 3. Improving self-and co-regulation processes | important |
| 4. Enhancing market reward for CSR: | |
| A. Consumption | less important |
| B. Public Procurement | less important |
| C. Investment | less important |
| 5. Improving company disclosure of social and environmental information | important |
| 6. Further integrating CSR into education, training and research | important |
| 7. Emphasising the importance of national and sub-national CSR policies | important |
| 8. Better aligning European and global approaches to CSR: | |
| A. Focusing on internationally recognised CSR principles and guidelines | very important |
| B. Implementing the UN Guiding Principles on Business and Human Rights | very important |
| C. Emphasising CSR in relations with other countries and regions in the world | very important |

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4.4 In the 2011 CSR Communication (COM(2011) 681), the Commission outlined an agenda for action which includes eight priority work streams. Please indicate if you believe that the Commission was successful with the implementation of these activities or not.

1. Enhancing the visibility of CSR and disseminating good practices (see European CSR awards, multi-stakeholder platforms)	somewhat successful
2. Improving and tracking levels of trust in business	not successful
3. Improving self-and co-regulation processes	not successful
4. Enhancing market reward for CSR:	
A. Consumption	I don't know
B. Public Procurement	I don't know
C. Investment	I don't know
5. Improving company disclosure of social and environmental information	very successful
6. Further integrating CSR into education, training and research	somewhat successful
7. Emphasising the importance of national and sub-national CSR policies	somewhat successful
8. Better aligning European and global approaches to CSR:	
A. Focusing on internationally recognised CSR principles and guidelines	somewhat successful
B. Implementing the UN Guiding Principles on Business and Human Rights	somewhat successful
C. Emphasising CSR in relations with other countries and regions in the world	somewhat successful

4.4 Please specify why (2)

Text of 1 to 100 characters will be accepted (4 characters left)

Tracking is helpful; however, the EC is not in a position to change levels of trust in business.

4.4 Please specify why (3)

Text of 1 to 100 characters will be accepted (87 characters left)

Not applicable.

4.5 Were there any shortcomings or activities missing in the agenda for action of the 2011 CSR Communication (COM(2011) 681)?

Yes (please specify)

No

I don't know

4.6 Outside the agenda for action, do you think CSR gave an important impetus for other policy initiatives? If so, which ones?

Country-by-country reporting/ disclosure requirements for the extractive industry and loggers of primary forests: Revision of the Accounting Directives (78/660/EEC and 83/349/EEC) and the Transparency Directive (2004/109/EC)

Proposal for a Regulation setting up a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict affected and high-risk areas and Joint Communication on Responsible sourcing of minerals originating in conflict affected and high-risk areas: Towards an integrated EU approach

Other, please specify

4.7 Do you think that there were other initiatives with an impact on CSR?

Yes (please specify) x

No

I don't know

4.7 Please specify

Text of 1 to 300 characters will be accepted (164 characters left)

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Corporate Governance and post-financial crisis growth - i.e. most of Commissioner Barnier's policy measures have included a CSR element.

5 Future issues on CSR

5.1 What would you say should be the role of the Commission in CSR?

- International standard setting / leadership in CSR
- Raising the awareness and visibility of CSR x
- Bringing stakeholders together around key CSR issues
- Supporting companies in implementing CSR
- The Commission should not be active in CSR at all
- Other, please specify x

5.1 Other

Text of 1 to 250 characters will be accepted (2 characters left)

The delivery always needs to be by the company. We support international leadership in CSR; however, we believe that the existing international standards are sufficient and we believe additional standards, directives or regulations are not required.

5.2 For the future EU policy on CSR, what would you suggest should be the main objectives?

Please rank your top-5 priorities (1 = highest, 5 = lowest)

- To achieve an international global level playing field, through e.g. third country cooperation, engagement in international fora etc. 2
- To raise the visibility and importance of CSR amongst all societal actors 1
- To implement the UN Guiding Principles on business and human rights
- To support companies in adhering to CSR principles, e.g. through guiding material 4
- To promote transparency measures on CSR (e.g. reporting, sustainable responsible investment etc.)
- To enhance market reward for CSR (e.g. through public procurement, investment or consumer policies) 3
- To work on better education on CSR (business schools, universities, etc.)
- To strengthen the cooperation with EU member states and regions on CSR 5
- Other, please specify

5.3 What would you say are the main challenges for an EU policy on CSR in the future?

Text of 1 to 300 characters will be accepted (1 characters left)

Advocating for EU businesses internationally, ensuring that CSR is a competitive advantage. Promoting transparency measures not resulting in prescriptive reporting; grasping the opportunity of non-legislative action.

5.4 Please indicate whether you would say that CSR has an important impact on the medium/long-term competitiveness of the EU economy? (5 = highest, 1 = lowest indicator)

- 5
- 4
- 3 x
- 2
- 1

5.5 Please indicate whether you would say that CSR has an important impact on the sustainability of the EU economy as a whole? (5 = highest, 1 = lowest indicator)

- 5
- 4
- 3 x

2
1

5.6 Why would you say that CSR is important for companies? *Text of 1 to 400 characters will be accepted (1 characters left)*

CSR is one element of good governance which reduces systemic risk: it increases shareholder value as well as consists of good promotion of companies in public eye. Well governed companies better protect and grow shareholder value. Companies should be honest and transparent with investors, supply chain, employees, customers and other stakeholders. All CSR action must be led by boards of directors.

5.7 Why would you say that CSR is important for society? *Text of 1 to 400 characters will be accepted (8 characters left)*

CSR is beneficial for jobs, growth, the economy, the community, the environment and most importantly, shareholder value. The role of CSR in society should lead to the 'label' becoming unnecessary, simply that good companies behave responsibly. CSR creates value for companies' stakeholders, opens new opportunities for companies to develop and innovate and benefits competition and consumers.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Tim Ward', with a horizontal line underneath.

Tim Ward
Chief Executive

Quoted Companies Alliance Corporate Governance Expert Group

Edward Craft (Chairman)	Wedlake Bell LLP
Colin Jones (Deputy Chairman)	UHY Hacker Young
Victoria Barron	Hermes Equity Ownership Services
Edward Beale	Western Selection Plc
Rob Burdett	FIT Remuneration Consultants
Anthony Carey	Mazars LLP
Jo Chattle / Julie Keefe	Norton Rose Fulbright LLP
Richie Clark	Fox Williams LLP
Louis Cooper	Crowe Clark Whitehill LLP
Madeleine Cordes	TMF Corporate Secretarial Services Ltd
Mebis Dossa/ Gabriella Olson-Welsh	McguireWoods
Kate Elsdon	PricewaterhouseCoopers LLP
David Firth	Penna Consulting PLC
Peter Fitzwilliam	Mission Marketing Group (The) PLC
David Fuller	CLS Holdings PLC
Nick Gibbon	DAC Beachcroft LLP
Nick Graves	Burges Salmon
Andrew Hobbs	EY
Alexandra Hockenhull	Xchanging plc
David Isherwood	BDO LLP
Nick Janmohamed	Speechly Bircham LLP
Dalia Joseph	Oriel Securities Limited
Claire Noyce	Hybridan LLP
Anita Skipper	Aviva Investors
Julie Stanbrook	Hogan Lovells International LLP
Nicholas Stretch	CMS Cameron McKenna LLP
Peter Swabey	ICSA
Eugenia Unanyants-Jackson	F&C Investments
Melanie Wadsworth	Faegre Baker Daniels LLP
Cliff Weight	MM & K Limited