



**A European Roadmap for Businesses
Towards a Sustainable and Competitive Enterprise**

Make The Shift

A EUROPEAN ROADMAP FOR BUSINESSES

“Towards a Sustainable and Competitive Enterprise”

AN OPEN INITIATIVE FOR ALL ENTERPRISES ACROSS EUROPE

TOWARDS AN ENTREPRENEURIAL, COMPETITIVE AND INCLUSIVE EUROPE

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AN OPEN INITIATIVE FOR ALL ENTERPRISES ACROSS EUROPE

This European Roadmap for Businesses is an initiative led by CSR Europe together with its National Partner Organisations in one same commitment. In our view, there cannot be a trade off between profits and people. Economic growth is vital to build a competitive, sustainable and inclusive Europe holding its rank worldwide.

Building on ten years of business engagement, solutions and dialogue with the European Union and other stakeholders, this Roadmap is an open initiative for all companies across Europe ready to

- Share our vision towards a European enterprise built on short and long-term value creation, stakeholder engagement, new skills and innovation in every compartment of business activity.
- Commit to strategic goals and processes articulating corporate responsibility and competitiveness.
- Appeal to the European Union and stakeholders to develop action and forge partnerships allowing business to manage change in a sustainable and competitive way.

Our ambition is to energise the European movement of corporate responsibility. The purpose of this Roadmap is to rally a critical number of businesses willing to contribute solutions and to innovate in line with shared vision and commitments. Cooperation with other organisations is therefore most welcome.

Companies actively supporting this initiative will be invited to sharing all necessary data allowing to assess the progress made in terms of the Roadmap's goals and strategies. The information collected will be made publicly available in the form of an Annual Roadmap Scorecard.

CSR Europe is willing to act as the Liaison for regular meetings between top EU leaders and CEOs supportive of this Roadmap. These meetings will offer the opportunity for businesses to participate in the debate on European competitiveness and sustainable development. They will also provide visibility for the contribution of corporate responsibility to the achievement of the renewed Lisbon Strategy 2010.





TOWARDS AN ENTREPRENEURIAL, COMPETITIVE AND INCLUSIVE EUROPE

In March 2000, Heads of State and Government committed to the Lisbon Strategy: to make the EU the world's most dynamic and competitive knowledge-based economy, capable of sustainable economic growth with more and better jobs and greater social cohesion. Since then, on the basis of voluntary approaches, businesses in Europe have made significant progress towards these goals.

Today, however, a cultural shift and a new impetus are required, on the part of all stakeholders, to release the full potential and dynamism of responsible companies. This is all the more necessary in the context of Europe's continuing enlargement.

To bring Europe's overarching objective of sustainable development back into sight, it is vital to make economic growth and jobs the immediate target, while delivering Europe's social and environmental objectives. Urgent reforms as well as more focused and better implemented action are needed to

- Place innovation, technology and knowledge at the heart of European growth.
- Make Europe a more attractive place for investors, entrepreneurs and workers.
- Enhance the skills and flexibility of our employees to develop business and employment opportunities.
- Turn global environmental and social challenges into business opportunities.

To anticipate and respond effectively to these challenges, this Roadmap sets forth three clear ambitions

- Promote our vision of a European enterprise towards sustainability and competitiveness.
- Determine the commitments whereby we can improve corporate responsibility and gain competitive advantage.
- Appeal to the European Union and stakeholders to develop the necessary actions and partnerships.



I. OUR VISION FOR A EUROPEAN CONTRIBUTION TOWARDS A SUSTAINABLE AND COMPETITIVE ENTERPRISE

Building on the experience of the European Declaration of Businesses against Social Exclusion initiated by President Jacques Delors in 1995, European companies have been gradually designing and implementing the business contribution to sustainable development. This is now generally referred to as Corporate Social Responsibility (CSR).

Sustainable competitiveness demands the simultaneous improvement of economic, environmental and social performance in the short and the long term. This transforms the scope of corporate responsibility, accountability and performance. Engaging with stakeholders - internal and external - becomes essential. This extension of business responsibility has a direct impact on strategy, organisation and management. It is therefore vital that new skills be developed. The process requires and generates innovation in every compartment of business activity. This innovation is key to competitiveness.

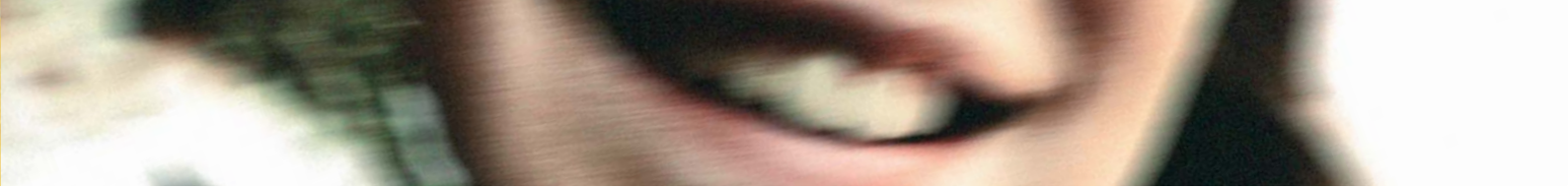
II. OUR COMMITMENTS TO A SUSTAINABLE AND COMPETITIVE EUROPEAN ENTERPRISE

10 years of business engagement within European and national CSR networks and the recent input of the European Multi-Stakeholder Forum on CSR have made it clear that voluntary commitments on the part of European businesses allowed to achieve substantial progress. European businesses are seeking to review their goals and strategies, to gain competitive advantage while aligning with the objectives of the renewed Lisbon Strategy.

The following commitments address the challenges which businesses are facing primarily in Europe. They build on two essential premises

- That corporate responsibility calls for voluntary initiative beyond legal requirements and contractual obligations. We need to take into account international and European principles, standards and conventions¹ in our business operations in Europe and abroad. This is essential to build trust and preserve confidence in business, thereby enhancing competitiveness over time.
- That we ensure continuous awareness and commitment of our employees and managers to apply sound standards in business ethics and integrity wherever we conduct business.

¹ e.g. Universal Declaration of Human Rights, EU Charter of Fundamental Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines



Our Goals

1. Innovation and entrepreneurship

This is an area where business has a lot to offer. Continuous innovation is a requirement for competitiveness, a vital road for us. Innovation into new technologies, into products addressing new or previously unmet needs, into a more dynamic economic model - all are essential elements to deliver.

In Europe, the demand for sustainable products and services is increasing. In developing countries, innovation into specifically suited products at affordable prices holds part of the answer to fighting poverty and raising quality of life.

New demand is key to economic development, entrepreneurship and growth. We will invest in research and development, business intelligence and skills to better meet local needs and gain competitive advantage in new markets. These new markets call for new entrepreneurs offering new employment opportunities. SME's and practices in social enterprises will also stimulate our businesses to innovate faster and improve socio-economic indices through mutual benefit.

2. Skills and competence building

Faced with the challenge of ageing societies, rapid technological advances and intensifying international competition, it is crucial that our companies continually adapt. This requires rapid innovation, higher-performance and increasing flexibility. To this end, our commitments will center on the following

- Invest in the skills and life-long learning of our employees and managers to ensure enhanced business performance and individual employability.
- Ensure a proper balance between flexibility and security, as well as between work and private life, to motivate and retain staff.
- Build on increased competence to develop business competitiveness in new market segments, thereby creating economic activity, fostering entrepreneurship and job creation.

Experienced companies are best placed to support and transfer competence to new entrepreneurs in business strategy, human and financial resources management and corporate responsibility. They can also help increase the skills and employability of future employees out in the wider community.

Enhanced entrepreneurship, job creation and employability will help to re-organise operations responsibly. Where restructuring is inevitable, they will help us to take the necessary steps allowing our employees to have access to quality jobs or activity.

3. Equal opportunities and diversity

With demographic changes under way, a growing European economy needs to call on all the energy and skills available, regardless of age, gender, disability, or cultural origin. We will implement recruiting and training systems that foster equal opportunities in the workplace. A diverse workforce, reflecting the diversity of our societies, will bring businesses closer to the markets. It will encourage productive dialogue with the greater spectrum of consumers, suppliers and other stakeholders, thereby helping business design innovative products and services that respond better to diverse market expectations.

4. Health and Safety

Alongside decent working conditions, the health and security of our people require continuous assessment and improvement. The demand on corporations now concerns health and safety along our supply chains as well as in the communities where businesses operate. We will invest in the equipment and processes necessary to ensure safe and healthy working conditions in our own operations. We will co-operate with our suppliers to help ensure health and security within their operations as well.

5. Environmental protection

Air, water and other natural resources are critical to any kind of future, and therefore essential to the future of business. Demand is growing for processes and products to be environment-friendly throughout their life cycle. Eco-design holds the potential for an innovative and positive response to this. Investment in research and innovation is key. We must take the lead

- To improve eco-efficiency, allowing to reduce/recycle/re-use material resources and minimise waste, thereby cutting costs over time.
- To reduce energy consumption, develop and implement the technologies enabling to increase the proportion of renewables and alternative sources of energy, while reducing emissions and preserving bio diversity.

Strategies to achieve these goals

6. Corporate responsibility in the mainstream of business

Corporate responsibility impacts decision-making in every aspect of business: strategy, research and development, management, processes. To be implemented effectively our corporate responsibility policies and strategy need to be aligned with our business objectives and corporate values, thus integrating corporate responsibility across the business functions and enhancing business reputation. Corporate responsibility has also to translate into collective performance goals as well as individual objectives, to be integrated into collective and individual assessment, recognition and compensation systems.

This requires training, for people to embed corporate responsibility in day-to-day operations and reach CSR-inclusive performance objectives across the different levels and functions in the company.

7. Stakeholder engagement

Dialogue with stakeholders helps companies to identify the implications and impacts of their operations. It also helps to anticipate and deal with social and environmental issues which may affect future competitiveness. It is important that we gradually build pro-active engagement with internal and external stakeholders to better tune into strategic emerging trends. Stakeholders can draw attention to new challenges. They can also play an important part in meeting them.

8. Leadership and governance

Corporate responsibility starts at the top. CEO and Board understanding of the benefits of corporate responsibility and stakeholder engagement is therefore a pre-requisite.

Their commitment is necessary and will be enacted in our companies through

- Design of CSR-friendly business strategies.
- Adjustment of governance mechanisms to implement them effectively.

9. Communication and transparency

Business integrity, communication and transparency build trust which, in turn, enhances our license to operate and, consequently, our competitiveness. These require appropriate accounting and reporting processes, while considering the commercial sensitivity of certain data. We will implement the commitment, from the top of our organisations, to

- Identify the items pertinent to risks and opportunities associated with the environmental and social footprints of our companies, through an internal and external stakeholder-inclusive process.
- Identify appropriate performance criteria and - where relevant - make use of existing tools and transparency frameworks.
- Monitor, through verification and auditing systems, the robustness, quality and comparability of data.
- Use various channels of communication to reach all concerned stakeholders in a meaningful way.
- Develop a continuous learning and evaluation process on the overall impact of our transparency and communication practice.

10. Business-to-business co-operation and alliances

Europe has built up a wealth of innovation and responsible solutions to business challenges. By sharing some of these strategic resources and transferring capabilities, businesses in Europe will be better placed to maximise the impact of corporate responsibility.

Just as community involvement, public-private and multi-stakeholder partnerships are growing and becoming desired common practice, business-to-business innovation, co-operation and alliances within and between sectors will add tremendous value.

We will create, maintain and actively engage in all necessary and relevant networks to ensure the convergence of our efforts towards CSR-enhanced European competitiveness.

III. OUR BUSINESS APPEAL TO THE EUROPEAN UNION, GOVERNMENTS AND STAKEHOLDERS

The business contribution to sustainable development, through corporate responsibility, cannot be achieved without the involvement and active support of all relevant stakeholders.

→ We appeal to the **European Union and Governments** to

Shift the Lisbon Strategy from commitments to deliveries

In our view, the European social model reviewed by the Lisbon Strategy and our vision for a competitive and sustainable enterprise are mutually reinforcing.

We appeal to the EU and Governments to implement the policies allowing to

- Make Europe a more attractive place for entrepreneurs to invest and to work.
- Ensure that high level skills and innovation are at the heart of European growth.
- Provide the flexibility necessary to create more and better jobs.
- Take further leadership in sustainable development, in particular through consistent trade and development policies.

Give credit to this Roadmap and invite interested enterprises to embrace and enact its goals and strategies

The business contribution to sustainability through voluntary approaches is a remarkable source of opportunity. It is essential that the EU and Governments recognise this further and take necessary steps, within their strategies on competitiveness and CSR, to create the environment allowing to promote this Roadmap as “a” best practice to follow.

Multi-stakeholder, voluntary and internationally recognised approaches are major assets towards continuous improvement. In the last five years, social and sustainable reporting has made tremendous progress to the benefit of stakeholders and society. At this stage, any regulatory frameworks would jeopardise the innovation and learning process required to achieve necessary consistency and credibility.

Meetings between business leaders and European policymakers on a regular basis will be welcome, to build on the interactions of Europe’s macro-economic goals and responsible business approaches towards European competitiveness and sustainability.

→ In addition, we appeal to **Stakeholders** to **actively support in business in its efforts to become more sustainable and competitive.**

Employees and their representatives are privileged partners within businesses. This is an appeal to invite them to actively cooperate and participate in the wider dialogue allowing to design and implement responsible business strategies. Their contribution to corporate responsibility is essential.

The expertise of **consumer organisations and non-governmental organisations** can add unique value to the development of long-term technical partnerships and help resolve conflicts of interest through constructive trade-offs towards sustainability. Beyond their traditional and useful “watch-dog” function, we believe that their co-operation and dialogue with businesses are essential to achieve corporate responsibility. We also appeal to these organisations to operate in the same transparency as they expect from business.

Investors are increasingly aware of the implications of sustainability on value creation over time. We appeal to the financial community to recognise and further research the impacts of corporate responsibility on business competitiveness in the short and the long term.

Finally, this is an appeal to **academia, deans and teachers** in business schools and universities to integrate in mainstream management curricula the acquisition of knowledge and skills necessary to fully exercise corporate responsibility. This will be recognised as a major contribution to European competitiveness and sustainability in the future.

Make the Shift

**If you wish to join a leading group
of companies in Europe
to actively support this
European Roadmap for Businesses
Towards a Sustainable
and Competitive Enterprise
and
If you wish to benchmark your progress,
with other businesses,
on the goals and strategies of the Roadmap**

Please contact:

**CSR Europe
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**One of CSR Europe's National Partner Organisations
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