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President of the European Commission

**«PUTTING CORPORATE SOCIAL
RESPONSIBILITY AT THE HEART OF OUR
VISION»**

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

**CSR Europe
Brussels, 11 June 2009**

Ladies and gentlemen,

Etienne (Davignon),

Thank you for inviting me to these splendid new premises. CSR Europe is an invaluable link between business and policy makers. The fact that corporate social responsibility is so central to European policy making is due, in no small part, to your efforts.

In the current exceptional circumstances, corporate social responsibility is even more crucial than ever. I know that most business leaders have tried to react to the crisis in a responsible manner. The Commission is doing everything it can to help companies preserve jobs, while remaining competitive. For example, we have brought forward payments under the European Social Fund to support schemes for short time working and other measures to keep people in work wherever possible.

And, of course, in times of crisis, it is always important to act together. The Commission is calling for a shared commitment between the Union, the Member States and the social partners to deliver on the conclusions of the recent Employment Summit. Each party playing its part effectively and responsibly, and all parties working closely together: that is what is needed if we are to come through the crisis.

Looking ahead, the challenge is to re-build the trust in business, which has to some extent been damaged by the crisis. We are strengthening regulation and supervision of financial markets, both at EU level, and internationally via the G20. But that is not enough. Even the best regulation cannot replace the need for companies to behave responsibly.

The crisis resulted, in part at least, from a failure by some businesses to understand their broader ethical responsibilities. Now all businesses must rise to the challenge.

This must include a responsible approach to executive remuneration. This is a question of culture. We need a new culture of ethics and responsibility. This is essential – not just to restore the brand image of particular enterprises – but to restore people's faith in the market economy itself. People still want markets – but they want markets with a conscience.

Far from being at odds with competitiveness, corporate social responsibility reinforces it. We are determined to use the crisis as an opportunity to speed up the shift to the low carbon economy in Europe. And we are working hard to achieve an ambitious international agreement on fighting climate change in Copenhagen. This will create new – and almost limitless – opportunities for business. It will be forward looking and intelligent companies who can take advantage of these opportunities – not those who not those who simply chase short-term profits. Companies who can reduce the negative externalities of what they do, and also develop innovative, green products and services. In short, companies who put corporate social responsibility at the heart of their strategies.

The corporate social responsibility movement has come a long way in recent years. But there is still much further to go. That is why the Commission is happy to support your Responsible Enterprise 2020 initiative. I was very interested to hear about your discussions during this

event on how to take the initiative forward. I will certainly give the results of these discussions careful consideration.

The key is to have a modern, fresh vision of corporate social responsibility, one which corresponds to current realities. So, for example, companies must be able to capitalise on demographic change. And, of course, in the global age, responsibility cannot end at Europe's borders. Our citizens expect European companies to represent their values when they operate in third countries. They expect them to manage their supply chains responsibly, to promote decent work and improved labour standards and, of course, to respect human rights.

Ladies and gentlemen,

I want Europe to be a global leader in corporate social responsibility. A pole of excellence for the world. I want us to lead by example – articulating a vision for business where profit is not the only goal.

I truly believe that corporate social responsibility is crucial for modern European enterprises seeking to meet today's challenges.

But I know that I do not need to convince anyone here of this point of view – I am preaching to the converted!

I am absolutely certain that CSR Europe will continue to play a big part in developing a new vision for corporate social responsibility and in driving that vision forward.

Thank you.