



## **“The voice of SMEs in Europe”**

### **Press Release**

FOR IMMEDIATE ISSUE

#### **CSR: mixed results from Parliament plenary’s damage limitation attempt**

- **Deletion of compulsory reporting clauses and additional liabilities a positive outcome**
- **Sketchy language on CSR criteria for public procurement leaves unsolved issue on the table**

**Brussels, 13 March 2007.** The European Parliament’s plenary went a long way in improving the so-called “Howitt report” on Corporate Social Responsibility, according to UEAPME, the European craft and SME employers’ organisation. MEPs accepted that CSR must be seen as a purely voluntary activity. Consequently, they scrapped unworkable rules on compulsory reporting on CSR activities and additional liabilities for private companies. However, the amended report as voted today is still a patchwork document on issues such as CSR criteria for public procurement.

*“Today’s vote on CSR must be seen as a valuable damage limitation exercise”,* said **Hans-Werner Müller**, UEAPME Secretary General. *“Nevertheless, the final text still suffers from the poor wording approved by the Parliament’s own Committee on Employment and Social Affairs, which showed a worrying lack of understanding on the nature and role of CSR activities, especially as far as small businesses are concerned”,* he went on.

UEAPME welcomed the inclusion in the report of the official EC definition of CSR as a voluntary activity “over and above legal requirements and contractual obligations”, which was missing in previous versions of the report. It also appreciated the deletion of off-the-mark paragraphs on standards for product labelling and liabilities for business actions including subcontracting and outsourcing. Moreover, the European Parliament seriously limited the scope of reporting on CSR activities, in line with UEAPME’s requests.

On public procurement, although the report recognises “en passant” the need to avoid additional administrative burdens for small businesses, it still promotes social and environmental activities as selection criteria for potential suppliers. UEAPME had warned against such a language, which entails a subjective analysis and adds more red tape for participants to public tenders.

*“We trust that the European Commission will continue its work on CSR based on the principles set out in its last Communication, which rightly focuses on promoting and encouraging socially responsible activities among European businesses and backs the European Alliance on CSR”,* concluded Mr Müller.

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**EDITORS’ NOTE:** UEAPME is the employers’ organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 81 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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