



## The Innovation Principle - Overview

### Objective

The Innovation Principle was introduced in October 2013 to ensure that **whenever policy or regulatory decisions are under consideration the impact on innovation as a driver for jobs and growth should be assessed and addressed**. It sets out to provide a new and positive way of ensuring that policy makers fully recognise social and economic needs for both precaution and innovation. It is therefore intended to be used to improve the quality and application of EU legislation and as a result, to stimulate confidence, investment and innovation.

### Background

**Twelve CEOs<sup>1</sup> of major multinational companies** signed a letter in October 2013 to the Presidents of the three EU institutions proposing adoption of the Innovation Principle. The CEOs who **collectively invested more than €21 billion a year in innovation** were committed to seeing Europe continue as an innovation leader. The CEOs however expressed their deep concern over the negative effect that increasingly risk-averse legislation is having on European innovation. The CEOs were keen to point out that innovation is by definition a risk taking activity and that these risks should be recognized, assessed and managed but cannot be avoided if Europe wishes to remain at the forefront of innovation. This initiative was followed by a letter in November 2014 from a larger group of 22 CEOs<sup>2</sup> to President Jean-Claude Juncker. Together these CEOs invest €30 billion a year in innovation and employ 1.5 million people.

The Innovation Principle is open to anyone who is interested in promoting an “innovation friendly” and environmentally responsible regulatory environment in Europe. It is not ‘owned’ by any person, company, association or institution.

### Innovation Principle AND Precautionary Principle<sup>3</sup>

The Innovation Principle is complementary with the Precautionary Principle, as precaution and innovation are equally important. The two principles should be used alongside each other, recognizing the need to protect society and the environment while also protecting Europe’s ability to innovate.

### Way forward

The European Risk Forum established an ad-hoc task force to promote awareness and adoption of the Innovation Principle, according to the following guidelines:

- Awareness of the Innovation Principle will be promoted by members of the Task Force in collaboration with a wide range of stakeholders.
- The Task Force encourages policy makers and other stakeholders to engage with the Innovation Principle Task Force.
- The Task Force remains committed to establishing an environment which provides sufficient room for innovation and uptake of new technologies in Europe and is keen to work with opinion leaders, stakeholders and policy makers who share this vision.

Further information on the Innovation Principle can be accessed at <http://www.riskforum.eu/innovation-principle.html>, or you can contact the ERF Secretary General Dirk Hudig at [info@riskforum.eu](mailto:info@riskforum.eu)

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<sup>1</sup> : AiCuris GmbH, BASF SE, Bayer AG, The Dow Chemical Company, Dow AgroSciences LLS, Dow Corning Corporation, Henkel AG & Company, IBM Europe, Novartis AG, Royal Philips, Solvay S.A., Syngenta AG

<sup>2</sup> : AiCuris GmbH, Airbus Group, Arthur D.Little, Aurubis AG, BASF SE, Bayer AG, Compania Espanola de Petroleos S.A.U., Deere & Company, The Dow Chemical Company, Dow AgroSciences LLS, Dow Corning Corporation, E.I. du Pont de Nemours & Company, Evonik Industries AG, Henkel AG & Company, IBM Europe, Novartis AG, Royal DSM N.V., Royal Philips, Solvay S.A., Statoil ASA, Syngenta AG and Yara International ASA.

<sup>3</sup> The Precautionary Principle is embedded in Paragraph 2 of article 191 of the Lisbon Treaty.