

**Speech of Richard Howitt MEP, European Parliament Rapporteur on
Corporate Social Responsibility (CSR) to the EU Danish Presidency
Conference "Business and Human Rights - Principles to Practice"**

Copenhagen, 7 May 2012.

May I begin by sincerely congratulating our Danish hosts for choosing to give priority to the Guiding Principles by organising this conference. I took part in, I think, all of John Ruggie's consultations held within Europe, was very supportive that what became known as the Edinburgh Study giving an EU contribution to the work of his mandate, and am delighted that Gerald and Rachel from his team are all here with us in Copenhagen.

I told our Danish hosts I wanted to present the findings of this conference back in the European Parliament, and cheekily asked them - if it isn't Denmark itself - which Government could speak in Brussels which is most advanced government in implementing the Guiding Principles? And they answered: Denmark!

Well they may be right, but even more important is their and all of our commitment that all governments in Europe fully implement the principles.

And I've loved tonight's responsible dinner too. It's illustrated the complexity of our task. Should the food be locally sourced or fair trade? Should the welfare of workers producing it be protected or the welfare of the animals being produced? Should it be healthy for the consumer or for the environment? Has it helped the local community or the planet? And if it's all of the above, does it end up being too much of a burden?

And by the way, is the food delicious and will we want to buy it again from the companies involved? The answer to that one is an unequivocal: yes!

But it is a perfect illustration of why I've consistently called for coherence on corporate responsibility, now re-adopted as a concept in the new European Commission Communication, which I also want to commend to all of you, and on which in my work I seek your further collaboration.

Now this is an after-dinner speech, and much has been said today and will be tomorrow, so let me restrict my comments to three points:

- where the Guiding Principles have taken forward the debate in Europe;
- the need to take that coherence in to our own decision-making;
- and an attempt to describe what will happen if we fail to act on the principles.

First, there are some key messages from Ruggie that many of us have talked about, that all the Member States voted for in Geneva, but which we still have to make sure are fully heard by everyone in the CSR debate in Brussels.

The end of the false dichotomy between voluntary and mandatory approaches, and its replacement by the concept of the "smart mix." The acceptance of the governmental role to ensure business responsibility, which is different from but complementary to, the responsibilities of businesses themselves. That standards are crucial, but that we have standards and ever-more intricate attempts at standard-setting divert attention away from implementation, which should be the focus.

That's not a criticism of the initiative to bring forward sector-specific guidance by the way which, again, I warmly commend. But it is friendly advice to that and all other such initiatives to be rooted in implementation, and not to fall in to the trap of interpreting and reinterpreting Ruggie ad nauseum.

So just as businesses used to say we want to respect human rights but don't know how to do it. And the Guiding Principles have given us the answer. Governments cannot any longer say we don't know what our responsibilities are when it comes to the human rights impacts of our businesses. We can have our own "diligence" or our own "negligence." And that's what this conference - rightly - is primarily intended to be about.

Now the second area I'd like to address concerns coherence. By its very nature, the participants at this conference are interested in, knowledgeable about and likely to be largely committed to the subject. But - as has been questioned today - will anyone take any notice of you when you get home?

The proposals for EU and national plans suggests there is "ownership" for taking forward the Guiding Principles in national capitals, but it is not yet clear to me that our member states have that same "ownership" when it comes to decision-making in the EU institutions.

Take the current proposal for the revision of the Procurement Directives, which are silent on Business and Human Rights. Yet Ruggie said: "procurement [provides] unique opportunities to promote...respect for human rights."

Or take, as been referred to today, the Recast of the Regulation on jurisdiction known as Brussels I. Whilst accepting the Commission's good intent, you have heard today as I have been told, that the result may be to make it more difficult - not clearer - to bring alleged abuses by foreign subsidiaries of EU companies committed in third countries to domestic European courts. In countries like my own, the United Kingdom and in the Netherlands, countries where relevant case law has been established, it may become less likely that what are egregious cases of human rights violation can

be brought to justice.

I can't help remember what John Ruggie himself said to the Swedish Presidency conference on 11 November 2009 that extra-territorial jurisdiction is "the elephant in the room" and called directly on us to "pierce the mystique of extraterritorial jurisdiction...in the best interests of all concerned." This was then incorporated in EU Council Conclusions on 8 December 2009, giving "full support for the work of the UN Special Representative on human rights and...business." I can't help but think we could have done better in the intervening three years.

Or in the case of investment, a new Commission competence under the Lisbon Treaty, Guiding Principle 9 makes quite clear bilateral investment treaties should explicitly incorporate human rights protection.

Yet the European Commission's DG Trade published a draft regulation on arrangements for existing or pending bilateral investment treaties that once again misses out human rights altogether.

All of these proposals are currently on the table so I urge Member State representatives to go back and start to really integrate Business and Human Rights in your negotiating positions on these and other relevant dossiers, as I and my colleagues should seek to do in the European Parliament.

I am, however, confident that the proposal on non-financial disclosure planned for later this year will incorporate the Guiding Principles. I know our Cypriot colleagues are keen to promote this. And I want to say in passing also as an Ambassador for the International Integrated Reporting Council, (IIRC), that business support for the concept of "integrated reporting" is building as will be evidenced at our next EU round table in Brussels on 30 May. And I am very excited to be involved in negotiations which I believe will see a global commitment to sustainability reporting at the Rio-plus 20 Earth Summit in June.

But my third area concerns the danger of doing nothing. Meeting on a day when, yet again, Europe's economic crisis is dominating thinking. There are those who may not believe, but who will say they agree with what we're talking about, but tell us: this is not the time. These are the arguments I offer to everyone who says progress is not fast enough.

Human beings don't like abuses of human rights. We've seen the anti-globalisation movement and the "Occupy" protests in financial centres in Europe and around the world. The ILO's Global Social Unrest Index shows in 45 of 119 countries protest and the disorder it brings are rising. Forward-thinking business leaders are backing human rights because they properly see it as part of their social license to operate.

So forward-thinking politicians need to do the same. We've seen trade talks stalled, appropriation

of Spanish investment assets in Argentina, half-hearted respect for intellectual property. At the moment our countries consider imposing sanctions on others - as the economic balance of power shifts, how long will it be before other countries try to impose sanctions on us?

If the investment which is coming in to Africa which we've argued for, for so long, has now become a race between China and the West, with the Chinese essentially prepared to ignore any rights-dimension whatsoever. Then we better mean the philosophy of the OECD Guidelines that investment quality and investment protection go together, otherwise we can look forward to Chinese-level living standards for our populations.

Even in the short-term, consider the case of the European oil company listed on the UK stock exchange which leaked oil across 665 miles of coastline and destroyed the livelihoods of 4,000 fishermen alone, which saw its share price almost half since the disaster, wiping nearly £50bn off the company's market value. In a time, when stability, trust and confidence have become the new economic targets, how many similar shocks are needed before the abuses we are talking about here can be said to impair our countries' macroeconomic performance more generally?

And, although I agree with what was said today about the importance of extra-territoriality, let us not fool ourselves that human rights abuses take place only outside Europe.

What about the Italian case of migrant Romanian and Bulgarian salad pickers housed in prison-like, windowless accommodation with no fire protection, and subject to compulsory wage deduction for the privilege? Or the Hungarian aluminium company whose discharge of poisonous arsenic and mercury led to the death of eight people. Or the German electronics company which paid compensation in Greece for corruption practices valued at 270 million Euros? Or the Danish company, with due respect to our hosts, responsible for exporting to the United States the chemical used in lethal injections for the death penalty, which we say we are against. Or, to be self-critical of my own country, the Ugandan immigrant who fled to Britain to escape sexual abuse in her own country, and was employed by a company providing social care for no pay at all? She was threatened that she would be deported if she tried to escape, in what is a clear case of modern day slavery.

All of these cases concern corporations inside Europe. And if we're worried about the rise of fringe and extremist solutions not just in Greece, but in all of our countries, we should recognise that such examples prove fuel to those who put these arguments; acting on and preventing such abuses provides the best protection for all of us who want to uphold free and fair markets according to the rule of law, home and abroad.

I'm sorry to have brought a sober tone to this dinner, but not too sorry. As we will rehearse tomorrow, if we want to genuinely combat human rights abuse, you have to understand who the victim is?

And everyone involved in human rights understands that the real enemy is not a person, even a legal person in the form of a company.

It is a concept, the concept of "impunity," which the UN defines as ""the impossibility, de jure or de facto, of bringing the perpetrators of violations to account."

And why I want us to implement the Guiding Principles is, yes, to prevent abuse, but also to help us uphold that principle of accountability. To make the impossible possible.

Thank-you.

ENDS.

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