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Committee on Foreign Affairs

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DRAFT OPINION

of the Committee on Foreign Affairs

for the Committee on Legal Affairs

on Corporate Social Responsibility: accountable, transparent and responsible
business behaviour and sustainable growth
(2012/2098(INI))

Rapporteur: Andrzej Grzyb

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SUGGESTIONS

The Committee on Foreign Affairs calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the efforts of the European Union and the Member States to align their policies with the UN Guiding Principles on Business and Human Rights¹, while stressing that these efforts do not yet amount to a thorough engagement in this process;
2. Insists that each of the 27 Member States must accelerate the revision of their national action plans on Corporate Social Responsibility (CSR), and the development of national plans implementing UN Guiding Principles, which should be finalised at the latest by December 2013; calls on the EU to facilitate learning from the experience of those EU States which are currently undergoing this process; encourages the Member States to draw inspiration from guidance developed by the European Group of National Human Rights Institutions (NHRIs);
3. Calls for greater policy coherence at EU level by bringing public procurement as well as export credit, good governance, competition, development, trade, investment and other policies and agreements into conformity with international human rights standards and principles, and in this context encourages drawing on relevant NHRI advice, such as the 'European Group submission to the EC on human rights and procurement'; calls for meaningful and adequate impact assessments of legislative proposals for potential incoherence with the Guiding Principles, and insists on the coordination with the UN Working Group on Business and Human Rights, to avoid disparate and inconsistent interpretation of the UN Guiding Principles;
4. Commits itself to continue to raise consistently its expectation that EU institutions and officials, including the EU Special Representative on Human Rights, undertake efforts to advance the human rights and business agenda in all EU external relations and actions;
5. Recognises that Paris Principles-aligned NHRIs are uniquely positioned to provide support for the implementation of the UN Guiding Principles, including facilitating, if not ensuring, access to remedy; calls on the EU and the Member States to recognise NHRIs as a key partner in advancing the human rights and business agenda, in developing linkages between business, state and civil society, and in promoting standards and guidelines developed within the EU framework; calls, in this context, on the Member States to strengthen and, where necessary, broaden the mandates of the NHRIs to make them more effective, or, where no Paris Principles-aligned NHRI is in place, to undertake steps to establish it, and for the EU to develop appropriate strategic support; commits itself to establish a regular annual exchange of views with NHRIs in the framework of LIBE and/or DROI, building on the experiences of the DROI exchange of views on the 'EU and Eastern Partnership Ombudsmen 2011 Summit', and to complement such exchanges with

¹ United Nations Human Rights Council, 17th Session, 21 March 2011, Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie: 'Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework"' (A/HRC/17/31) (hereafter: UN Guiding Principles).

targeted workshops on human rights and business;

6. Undertakes to place the ‘human rights and business’ issue on the agendas of forthcoming EU meetings with third countries, especially with privileged relations partners, and requests that, if necessary, translations of the UN Guiding Principles be carried out using the EP’s or other EU institutions’ capacity;
7. Calls on the EU, and in particular the Commission, to ensure that financial instruments, including the European Instrument for Democracy and Human Rights (EIDHR), see the Paris Principles-compliant NHRIs as key partners in achieving their objectives, and support them in making efficient use of their unique position and human rights expertise to create space for dialogue between various stakeholders, including state authorities, civil society and business, and to that effect
 - (1) ensure that ‘human rights and business’ features among the priorities of individual financial instruments under the new Multiannual Financial Framework (MFF) perspective for the period 2014-2020; and
 - (2) develop specific support under the EIDHR for training and overall capacity-building in the area of human rights and business of civil society organisations, NHRIs, human rights defenders, trade unions, and other human rights organisations;
8. Insists, in order to ensure that the implementation of the new EU CSR strategy promotes society’s interests, the respect for human rights, and a route to sustainable and inclusive recovery and development, that the legislative proposal on the mandatory disclosure of non-financial information (including environmental, social, and governance information) of companies ensures transparency by providing a clear, unambiguous, common and predetermined framework, with specific reference to human rights, that is fully aligned with the UN Guiding Principles and based on objective indicators, such as the gender pay gap, and indicators and reporting guidelines referring to disability;
9. Calls on the EU to address the internal capacity and expertise gaps by implementing significant ‘human rights and business’ training programs across all EU institutions and policy areas;
10. Reiterates its calls on the EU and the Member States to improve the enforcement of existing laws integrating ‘business and human rights’ concerns, and to develop further solutions aiming at a ‘level playing field’ for domestic and third countries’ business enterprises;
11. Calls for human rights due diligence standards at EU level, addressing, among other issues, potentially high human rights impact and risk areas such as global and local supply chains, conflict minerals, and outsourcing;
12. Requests that where the EU or Member States are partners of business (e.g. in public procurement, state-owned enterprises, joint ventures, ‘blending’, export credit guarantees, large scale projects in third countries), consistency with the UN Guiding Principles should be a priority, reflected in specific contractual clauses, and with consequences for companies blatantly violating human rights; recommends that the envisaged ‘EU Platform

for External Cooperation and Development' establish such modalities;

13. Acknowledges that grievances against EU companies operating abroad are often more usefully solved in situ; commends the OECD National Contact Points as state-based non-legal mechanisms that can mediate over a broad range of business and human rights disputes; calls, however, for a greater effort by companies in developing grievance mechanisms aligned with the effectiveness criteria stated in the Guiding Principles;
14. Welcomes the European Commission's intention to amend private international law dispositions contained in the Brussels I Regulation, and particularly the introduction of the principle of 'forum necessitatis'; stresses the need to further develop effective access to remedies to victims of human rights violations resulting from corporate operations outside the EU, through reforms of the Brussels I and Rome II regulations; calls for effective measures to lift existing obstacles to justice, such as inordinate litigation costs, by means of initiatives such as the development of minimum standards for collective redress, or solutions to the problem of 'separate legal personality' of companies.