

## **OECD Global Forum on Responsible Business Conduct, Paris, 18-19 June 2015.**

### **Contribution of Richard Howitt MEP, Rapporteur on Corporate Social Responsibility to opening session: "Developing a long-term vision for responsible business conduct."**

Many of us are regular participants not just in this forum but in others too on issues of corporate responsibility, and sometimes you feel the same things are being said over and over again - in the hope that more people will listen. But with the fear we are simply talking to ourselves.

I've always been on the side of the argument that we are making progress.

But this year you've set us a new challenge - to foster a discussion about developing a long-term vision.

Now management schools and textbooks are full of theories about business leadership based on values, developing organisational culture, setting mission statements.

What we apply to business, should perhaps even more be applied to questions of responsible business.

At the global level we have achieved much in building architecture on international governance: the OECD Guidelines themselves, the ILO Tripartite Principles, the Guiding Principles on Business and Human Rights, amongst others.

It is right for the OECD to see how it can integrate with these efforts, as part of a process I have championed in Europe for the various initiatives not to compete with each other but enter in to a process of "convergence."

What we are also seeing now is emphasis on application of those standards, rather than development of ever-more new standards. So, for example, we see the work on integrating the OECD Guidelines in international investment treaties here and the launch of the Reporting Framework for the Guiding Principles in the UN.

At the European level, indeed we have made important steps forward on non-financial reporting - a requirement for 6,000 large European companies to reports on their "policies, risks and results" in relation to their social, environmental and human rights impacts, on anti-corruption and diversity, If this is implemented in good faith it will be a major step forward. This will be the case too in relation to legislation agreed on extractive industry transparency, on conflict minerals and where we are close to getting agreement on changes to shareholder rights - requiring far greater engagement by investors with companies over the issues of responsibility.

Once again, the priority is to focus on implementation rather than simply embark on a fresh round of policy formulation.

Interestingly, to demonstrate Europe's political commitment, European Commission President Juncker called the recent G7 statement on responsible supply chains a question of urgency and one which should be incorporated in trade rules.

Indeed what is notable for me about both the G7 statement and the European legislation, is the recognition that concepts once considered controversial are now part of the mainstream: that companies do have responsibilities for their supply chain, that there should be a multi-stakeholder approach and should follow a process of 'due diligence'.

The statement that the G7 countries will seek to ensure their National Contact Points 'lead by example' is also a huge endorsement for the Guidelines.

But this is still process more than vision.

Even more, I welcome the new emphasis from the G7 on prevention - embodied in the Vision Zero Fund - which is a direct result of previous lessons being learnt over Rana Plaza in Bangladesh which dominated proceedings here a year ago.

And notice that word "vision" again?

The power to affect change - not to require but to inspire.

So as the OECD sets out to consider how it can inspire those in business, I thought I'd use my contribution to identify which leaders have inspired *me* to do this work and why?

At the highest level it has been a privilege to be associated with Kofi Annan who used his personal position to establish the Global Compact, and with His Royal Highness the Prince of Wales - who used his own unique position to establish the widespread support for the concept of accounting for sustainability.

In their own ways, both used their highly significant convening power to attract interest and engagement that would otherwise be impossible.

Many of us in this room admire the leadership of John Ruggie, and how he used the power of thought and of argument to overcome obstacles.

In my own country, I had the privilege of first coming across the late Anita Roddick many years ago in 'The Body Shop' campaigns for indigenous people in Nigeria, and understood how successful entrepreneurs could harness activism rather than resist it.

In India I've gone to the ashrams to meet children freed from bonded labour - some of the most moving experience any of us will have. I saw how Kailash Satyarthi in one locality in one country, started what became the Global March Against Child Labour.

That it is possible to change the world.

In Bangladesh, many of us too have had the privilege of meeting Muhammad Yunus, who founded the Grameen Bank and the whole 'micro-finance' revolution. He had the vision to see how small changes can make a gigantic difference and to foster the whole concept of social entrepreneurship.

I think the Vice-President of Enron who resigned rather than be complicit in wrongdoing, is in a long line of 'whistleblowers' who showed their own leadership by being prepared to risk unpopularity and personal disadvantage through challenging what they know not to be right.

In this generation, Paul Polman has rightly attracted plaudits, not for being the only business leader to embrace environmental sustainability by far, but for the scale of ambition with which Unilever has adopted it.

Two more great figures I've had the privilege of meeting are Bob Massie, founder of the Global Reporting Initiative, who was getting environmentalists and investors together over twenty years ago, and Reverend Leon Sullivan, the civil rights leader who pioneered the concept of black empowerment through investment in what was then still apartheid South Africa.

Both of these were greatly ahead of their time.

Interestingly the first was an ordained Episcopal Minister and the second a Baptist Minister and, although it certainly isn't necessary to be religious to be responsible, it is a reminder that what we are talking about cannot be disassociated from issues of morality.

So what do these examples show, except than to allow me to share some stories about the extraordinary privilege I have in doing my own job?

Which lessons are there for the OECD in developing its own vision statement on responsible business?

That in setting a vision, it is important to exploit the authority of your position to engage interest and support. Enlist high-level support amongst governments certainly, and in all your stakeholder groups too.

That the case you put must be well-argued.

That social and environmental activism is an opportunity.

That your message can and should be a popular one aimed at ordinary people of our world, whose health and welfare we are ultimately seeking to serve.

Don't use obscurity of language to hide compromise and ambiguity as we so often do in international texts, but try to speak the truth.

Be ambitious.

That whether you are a peasant with a small business idea in Bangladesh, or one of the world's biggest multinational companies based in Rotterdam and London, it is the scale of ambition which matters.

Create a vision which is truly global in scope.

It is not wrong to want to change the world, only wrong not to try to do so.

It is about being prepared to challenge today's orthodoxy.

It is about predicting the future and being prepared to make some hard choices that can affect what the future will be.

Like any ethical question, it is about seeking to distinguish between right and wrong, irrespective of which moral code you have for yourself.

It must be about what is right.

I've talked before about the importance of the OECD Guidelines in the debates about creating an equivalence in respecting the rights of inspectors with the rights of others in society and of society itself.

In recent weeks now 1.8million Europeans have signed a declaration against the proposed Transatlantic Trade and Investment Partnership, with the perceived inequity on how different rights are respected at the heart of their objections.

I have had 12,000 people in my own locality personally contact me as their democratically elected representative about this. I would never have thought issues of trade and investment could generate such a public debate.

This is not a comment aimed at our American friends.

You have similar numbers who have signed declarations against us.

It has caused the trade unions to start to oppose such a trade agreement altogether.

My message is aimed at all of us who want to promote trade and investment, on the need to recognise the vision too many have of those who propagate those arguments, remains one not of promoting social, environmental and human rights but of denying them.

I believe the lesson from this is to make some of our own hard choices, if the vision we want is to succeed.

But others have faced challenges and succeeded and so can we.

Like many of you I went to and enjoyed 'Selma' this year in the cinema.

And we recall the man they called "Dr. King" didn't say "I have a plan" or "I have a strategy".

He said: "I have a dream."

And so can we.

Thank-you.

**ENDS.**

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