

**Closing speech of Richard Howitt MEP, European Parliament
Rapporteur on Corporate Social Responsibility
at the OECD Global Forum on Responsible Business Conduct
Paris, 27 June 2013**

First, I congratulate Roel Nieuwenkamp on taking up the Chair of the Working Party on Responsible Business Conduct and also my deep appreciation to Marie-France Houde who has driven the whole event. As a Friend of the OECD Guidelines, thanks to all of you for taking part of this first Global Forum.

We should recognise that following on from the Update of the OECD Guidelines, the launch of this Forum represents the start of a new era.

It's part of an era in which I want Europe itself to play an even stronger role in supporting your efforts. Which is why I piloted through a proposal in February this year for the European Commission itself not simply to participate here as observer, but to apply to formally adhere to the OECD Declaration on International Investment and Multinational Enterprises. I hope for your support.

Of course in this era, for everyone here, it is crucial that the Guidelines are effectively implemented and that the OECD oversees this. There are still NCPs which are said to have not yet established a track record for problem-solving. Ensuring that all the NCPs do so must remain a priority.

But a crucial new emphasis in the update and for this forum is in the "proactive approach." Not simply dealing with the problems before us, but acting together to ensure there are fewer problems to deal with.

And whilst I understand the protocol in the OECD during the negotiations that different member states and partner bodies will properly reserve their positions in the process of coming to agreement, a number of people have commented to me over the past two days that we need to 'move on' the culture of some of our discussions, to be less 'reserved.'

We are not negotiating the Guidelines any more, we are applying and promoting them. Many of the businesses represented in this room and in our countries expect their managers to demonstrate a 'can do' attitude. One message from this forum is that we all have to demonstrate that same attitude, working together to promote responsible business, to demonstrate the proactive approach ourselves individually in how we do so.

As we've been hearing, we've had some very specific discussions in the course of the forum on the financial sector, on extractive industries, on stakeholder engagement, on the ICT sector and on disclosure.

I won't add to the comments in detail on each. I know the Working Party has noted and will follow-up all of those discussions.

On finance I will add that if we want responsible business in all sectors and for all business, the one thing almost all companies need is access to finance. And when we've spent a lot of time in these two days talking about the 'leverage' companies have, we have to recognise collectively we need the leverage of the financial sector to achieve our goals with and for companies as a whole.

And the study commissioned by the Dutch Government shows today the Guidelines are just not being implemented by financial institutions. This is a clear challenge for the Working Party and you should have all our support in meeting it.

On extractive industries I will say we saw again that the obligations of governments and countries have to be considered at one and the same time as those of companies. Pillar One and Pillar Two of the Guiding Principles have to go together.

And on the ICT sector, let me say we saw plainly that this is a new frontier; new technologies presenting new challenges. And it is clear that the updated Guidelines are crucial in that it is absolutely about 'linkage,' the company taking responsibility for the way the products are used by others.

On disclosure, there was a consensus that the last thing we need is for the OECD to create yet another reporting framework, but an interesting exchange of views on how far reporting should be for investors and how far for wider stakeholders? Today, in this respect, I can't talk to you in detail about the proposed EU Directive on non-financial reporting, but I do invite you to contribute to me and my colleagues as we agree that proposal over the next few months, to help us get it right.

But I do want to suggest that the concept of integrated reporting is the right one, and that it can promote not relegate stakeholder interests if - as I said earlier in my own bit of integrated thinking - we can get business and the investor community to truly assess the materiality of social, environmental and human rights impact on the company.

In the language of accountants, those assessments of companies being made today are neither fully "true nor fair."

This afternoon we've also heard an exchange about the Norwegian debate about minority shareholders. It's the end of the conference so I don't want to introduce any new controversial points, but I will say this that I think can get general support: Norway showed a global lead when its state pension fund divested in relation to companies operating in the Western Sahara and in relation to irresponsible conduct by some tobacco companies. I really hope your country can continue to play that leading role in setting the highest standards for others to follow. This question also clearly demonstrates the independence of your National Contact Point, about which we should all be proud. And as we across the OECD and across the world, try to say to business "don't expend your energy trying to examine how your activities can be exempt or outside the scope of the Guidelines, expend your energy applying the Guidelines;" that - as Governments - we have a duty to do the same.

As we come towards the end of this forum, we should reflect that another remit of the Working Party is to strengthen international dialogue, to look outwards from the OECD, and this forum has played a very important role with its wide global participation.

I hope everyone here will take the messages of the forum back, not just to your own country, but to other countries and in to other global debates.

And listening to the debate within the forum and on its fringes, I could have restricted this summing up to one country and one word: Bangladesh.

Minister Dipu Moni was strikingly honest in saying how the pace of growth of the textile companies meant that it was impossible for the regulatory machinery to 'keep up' in enforcing appropriate standards.

That's an appropriate metaphor given the ever-faster pace of globalisation in markets, trade and finance, which the OECD Guidelines themselves are seeking to match.

I'm nervous about generalising from one case, however horrific. And this indeed was a tragedy of devastating proportions.

But there have been several voices during the forum saying how Bangladesh exposed the truth that there are just so many initiatives we're all involved with at the international level. And we have to admit that they are not sufficiently coordinated or converged, to make it easy to make a difference in a country like Bangladesh.

That must be a challenge for the Working Group.

And as the European Commission, the ILO, perhaps our Japanese friends are all launching welcome initiatives in relation to Bangladesh, the challenge to them and to all of us, is to do so in a way which is coherent with each other. And in a way which provides genuine ownership, partnership and support to Bangladesh itself and to any country with whom we work.

And here there has been a consensus too that we have to make the 'accord' work, now encompassing 65 companies to improve things on the ground in Bangladesh.

Those companies that have currently stayed outside the accord seem to be saying that business-to-business agreement is enough, and declining to work collectively with other companies and with local stakeholders to make a difference.

But surely they are putting confidence in agreements at the very same-level as the private workplace audits the big retailers relied on previously, and which proved to be so flawed?

The OECD and its member governments have declared support for the accord, and this forum must have a role to galvanise donors and companies themselves - all relevant companies - to support it.

And this does absolutely relate to the OECD Guidelines.

Paragraph One of the Guidelines refers to ensuring that companies 'enhance sustainable development.'

I didn't myself have a classical education but I think I am right in saying Bangladesh is a prime example where the Latin principle "Primum non nocere," "first, do no harm." failed.

If the accord succeeds however, Bangladesh will perhaps set a new example to the corporate community, the intent of paragraph one, that the duty is to positively 'make things better.'

And in saying that I use a different Latin term:

Ductus Exemplo - lead by example.

The final thing that struck me and I expect all of us from what Minister Moni said, is when she referred to what she called "before and after" the Bangladesh factory disaster.

The question has dominated this forum and, many of us would say, rightly so.

And if the name "Rana Plaza" goes alongside those of Bhopal, of the Niger Delta, of conflict diamonds in Africa, of the Gulf of Mexico, in representing a historic turning point - a turning point which prompts genuine international action to bring about change to corporate conduct - then this forum itself, meeting at this time, can play its own role in history in achieving it.

Thank-you.

ENDS.

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June 2013**

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