Implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility

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The European Parliament adopted by 556 votes to 103, with 53 abstentions, a resolution on the implementation of the 2010 recommendations of Parliament on social and environmental standards, human rights and corporate responsibility.

Members recalled that Parliament **acts as a co-legislator** with respect to measures defining the framework for implementing the Union's common commercial policy (CCP). Its consent is required for the ratification of every trade agreement negotiated by the Union. The implementation of Parliament's recommendations is therefore necessary to ensure the success of any initiative undertaken by the Commission in the field of the CCP.

Parliament issued recommendations to the Commission relating to social and environmental standards, human rights and corporate responsibility in 2010. It noted that although a number of these recommendations have been implemented, others have not.

General principles: Parliament called on the Commission and Member States to:

- incorporate a **gender-mainstreaming approach** into all their policies and to assess existing trade and investment agreements systematically in order to identify their consequences on gender equality;
- ensure **greater coherence** with respect to development, to ensure effective policy assessment and coordination between development aid and trade policy;
- promote **binding measures to ensure that companies pay taxes where economic activities take place** and value is created, to promote compulsory country-by-country reporting by the private sector as recommended by the OECD, and to promote good governance notably in tax matters and effective tax collection;
- ensure that this issue is given priority on the agenda in its policy dialogue (at political level on development and on trade) and to support the role of civil society in ensuring public scrutiny of tax governance and monitoring of cases concerning tax fraud.

Parliament recommended that the EU's trade strategy be a **tool for the promotion of democratic values in third countries**. It welcomed the **enhancement of trade agreements** and trade preference programmes as levers to promote human rights, eliminate forced and child labour, and ensure food security and the rights to health, sustainable development and high safety and environmental standards, as well as economic opportunities for all.

The Commission should take a **leading role in the reform of WTO governance**, in particular with respect to putting in place a regular dialogue between the WTO and the relevant UN agencies, notably the High Commissioner for Human Rights, the UN Conference for Trade and Development and the International Labour Organisation, in particular by granting the ILO observer status in the WTO.

Parliament called on the Commission to actively promote further reforms of the WTO in order to **define multilateral rules for the sustainable management of global supply chains** in a responsible way, which should in particular include:

- effective and enforceable supply chain due diligence and transparency requirements, building from the UN Guiding Principles for Business and Human Rights,
- health and safety standards, recognising in particular the right of workers to safety committees,
- a social protection floor,
- respect for ILO core labour standards.

Member States are called upon to step up their efforts to honour their commitment to **phase out subsidies for fossil fuels** in line with the G20 commitment. Members called for the development of quantitative or qualitative criteria to identify 'green goods' and for due account to be taken of factors influencing trade in these goods.

At bilateral level: while welcoming the Commission's decision to carry out ex ante and ex post sustainability impact assessments (SIAs) for all trade agreements, Members called on the Commission to:

- apply the guidelines in developing SIAs for all current and future negotiations;
- take into account the impact of trade and investment agreements on particularly vulnerable people such as those who belong to a minority group, or are geographically isolated, poor or socially excluded;
- ensure proper involvement of civil society organisations and social partners in the development of SIAs and to involve Parliament at every stage in this process.

Parliament reiterated its support for **human rights conditionality** in trade agreements and recalled the importance of respecting and implementing human rights clauses. It suggested:

- considering the inclusion of a **committee for human rights** in all EU trade agreements in order to ensure serious and systematic follow-up on human rights issues in relation to the agreement;

- putting in place **sustainable development forums** or advisory groups at the various stages of drafting, negotiating and implementing an agreement;
- involving Parliament more closely in the process of monitoring the implementation of trade and investment agreements with regard to compliance with human rights and social and environmental standards. The Council should consult Parliament on any decisions to revise or even suspend the application of an agreement if this is necessary.

At unilateral level: Parliament welcomed the entry into force of the new Generalised Scheme of Preferences (GSP) (Regulation (EU) No 978/2012) on 1 January 2014 and the publication of the first GSP monitoring report for the period 2014-2015. It:

- reiterated its request from 2010 for a balanced and realistic proposal for legislation, including measures such as labelling child-labour-free products, trade preferences given to countries that meet certain labour standards and horizontal import prohibitions for products made using child labour;
- stressed the importance of including the objective of combating forced labour and child labour in Trade and Sustainable Development chapters of EU trade agreements;
- confirmed its opposition to any direct or indirect provision affecting trade in energy-related services that would allow for technological neutrality of subsidies.

Corporate social responsibility (CSR): Parliament recalled its request to include CSR in all EU trade agreements and provisions for greater enforcement, notably the **possibility for the Commission to carry**

out investigations into alleged breaches of CSR commitments and the development of EU contact points building on and strengthening the OECD contact points.

The Commission is called upon to ensure transparency with regard to access to information on the conduct of enterprises and to introduce an effective and enforceable reporting system which provides information on product value chains. **CSR dialogue platforms** should be created to bring together civil society, businesses, international organisations and other stakeholders.

Recalling that the EU is the world's leading actor in terms of National Action Plans for CSR, Members called on the Commission to:

- actively promote responsible business conduct amongst EU companies operating abroad;
- take measures involving the award of labels, the granting of preferential access to EU public contracts and the implementation of SME support programmes that will **encourage and reward companies** introducing CSR strategies.

Lastly, Members stressed that the effective implementation of these recommendations constitutes a crucial element in Parliament's assessment of trade agreements negotiated by the Commission. They requested a detailed and timely response from the Commission to all the items raised in this resolution.