European Parliament votes for stronger corporate accountability

Brussels, 25 October 2016

ECCJ welcomes the European Parliament’s adoption of the report on Corporate liability for serious human rights abuses in third countries.

The Report, led by MEP Ignazio Corrao, was adopted today by the Strasbourg Plenary with an overwhelming cross-party majority of 569 votes for, 54 against and 74 abstentions.

The report makes reference to recent calls for action on business and human rights made by the EU Council, Council of Europe, and UN Human Rights Council, ILO and OECD.

Its recommendations are rooted in the European Union (EU) fundamental values of “respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights”, as well as the UN Guiding Principles on Business and Human Rights (UNGPs), while noting that “effective control and sanction mechanisms remain a challenge in the worldwide implementation of the UNGPs.”

The Report highlights the EU and Member States’ legal responsibility to assure human rights protection from negative business impacts, within and outside the Union, and, where abuse has occurred, facilitate justice for victims.

It adds that the EU and Member States should “lay down clear rules setting out that companies established in their territory or under their jurisdiction must respect human rights throughout their operations, in every country and context in which they operate, and in relation to their business relationships, including outside the EU.”

ECCJ appreciates the importance given to human rights due diligence (HRDD) as a key step for States to fulfil their duty to protect human rights, and the appeal made to EU and Member States to introduce mandatory HRDD for businesses; immediate concern areas being state owned enterprises, public procurement or public-private partnerships.

Priority is also given to access to effective remedies for victims and affected communities. The Report invites Member States and the European Commission to thoroughly analyse existing barriers to justice, and take appropriate “judicial, administrative, legislative” measures to eliminate them. Among these measures, the report calls on the EU Commission and Member States to look at issues such as collective redress, rules on jurisdiction, access to evidence, and obstacles to criminal prosecution.

We welcome the call on EU and Member States to engage constructively in the process towards a binding UN Treaty on Business and Human Rights, especially relevant as negotiations on the Treaty are taking place in Geneva this week.

We also acknowledge the importance given to assuring a coherent EU position on business and human rights “at all levels”, throughout all trade policies, relations and agreements. The Parliament
repeatedly calls on the Commission and Member States to “act in a holistic manner” and to include “rules on corporate liability for violations of human rights” in all trade and investment agreements.

Lastly, we believe it is important to point out the invitation the Parliament makes to the European Commission and Member States “to report regularly on the steps taken to ensure effective protection of human rights in the context of business activity, the results achieved, the remaining gaps in protection and the recommended future actions to address these gaps.”

--END--

Our position on urgent action needed on business and human rights at EU and Member State level

More information on recent corporate accountability developments in Europe

Our position on the relevance of a UN Treaty on Business and Human Rights