



# Protect, Respect, Remedy

– Making the European Union take a lead in promoting Corporate Social Responsibility



Referring to the recent discussions at the conference Protect, Respect, Remedy – a Conference on Corporate Social Responsibility (CSR) in Stockholm on 10–11 November 2009, the Swedish Presidency of the European Union and the incoming Spanish Presidency conclude that:

The European Union and its Member States should take a global lead and serve as a good example on CSR when building markets, combating corruption, safeguarding the environment and ensuring human dignity and human rights in the workplace. The European Union is the largest economy in the world and the largest development cooperation partner. Europe hosts many of the multinational enterprises in the world. We welcome that European employers consider it an important task to promote and take a global lead on CSR.

The responsibility is threefold: **the State duty to protect** – including legislation as well as implementation of human rights obligations, in particular with regard to business; **the corporate responsibility to respect human rights**; and the responsibility of all parties involved to ensure **access to adequate remedies** to uphold and develop such human rights.

Today's common challenges, emanating from the rapid evolution of globalisation, climate change and the current economic turmoil, require a sustained international response. There is a need for common solutions that can balance economic imperatives with the realisation of universal norms embodied in internationally recognised human rights instruments. This can only be achieved through active participation of all stakeholders. We need to continue our important dialogue with non-member states, civil society, trade unions and businesses, including small and medium-sized enterprises, to realise the Protect, Respect and Remedy framework.

The United Nations' Protect, Respect and Remedy framework provides a key element for the global development of CSR practices. It constitutes a significant input to the CSR work of the European Union. Over the recent years the European Union and its Member States have recognised CSR as a key element in fostering a truly sustainable global economy, building on the Lisbon Strategy and on the recommendations and work of the European Parliament and European Commission. Now the time is ripe to take this important work further by developing common frameworks; raising awareness and improving dialogue between all stakeholders; and measuring and evaluating tangible results.

We encourage the European Union and its Member States to:

**1. With regard to the State duty to protect:**

- Clarify the impact that company law can have on issues within the field of CSR, such as incorporation, directors' duties, reporting, stakeholder engagement, and corporate governance generally;
- Emphasise the importance of implementing human rights, fighting corruption and maintaining an open free trade policy throughout the European Union and the European External Action Service, for example within bilateral trade and investment treaties, host governments, export credit guarantees and overseas development programmes.

**2. With regard to the corporate responsibility to respect:**

- Raise business awareness of its responsibility to respect human rights and exercise due diligence, notably through active implementation of the framework, effective incentives and other relevant means;
- Ensure that businesses respect human rights wherever they are operating;
- Continue, deepen and further improve the dialogue on CSR across Europe and beyond.

**3. With regard to access to effective human rights remedies:**

- Promote greater awareness of and adherence to existing international human rights mechanisms;
- Further greater access to effective remedies, both legal and non-legal;
- Strive to fully implement an appropriate mechanism at all levels.

The CSR framework is part of the European Union's response to the environmental and economic challenges ahead. This includes reaching out beyond the Union to achieve greater international coherence and cooperation. Through working together, all stakeholders can bring about better local impacts and also ensure greater transparency.

Jointly, we look forward to the incoming Spanish Presidency of the European Union, which in 2010 will continue to promote and put into practice the Protect, Respect and Remedy framework. Forthcoming European Commission studies on current legal dispositions and on responsible supply-chain management should help to identify opportunities for doing this.