

**EU STANDARDS FOR EUROPEAN ENTERPRISES OPERATING IN DEVELOPING
COUNTRIES: TOWARDS A EUROPEAN CODE OF CONDUCT**

UNICE STATEMENT

UNICE has strong objections to the general approach of the own-initiative report on “EU standards for European Enterprises operating in developing countries: towards a European Code of Conduct” adopted by the European Parliament’s Development and Cooperation Committee.

The business community is acutely aware of the challenges involved in meeting the demands placed upon companies in terms of their commitment to adopting standards of what can be broadly termed “corporate social responsibility”. Business is actively engaged in the development of voluntary codes of conduct and appropriate monitoring procedures.

This is an evolutionary process in which voluntary initiatives by companies must continue to play a key role, as provided for in the globally accepted guidelines for corporate behaviour adopted by OECD and ILO. UNICE cannot, therefore, support the general thrust of this report because it is not conducive to constructive engagement and dialogue with the business community, and is highly likely to be counter-productive. A positive, practical and constructive approach focusing on support for sound business practices would be far more effective.

Consequently, UNICE wishes to express the serious concerns of the entire European business community regarding the report and would like to highlight in particular the following elements:

- While business conduct is a global issue, the report focuses on European measures. UNICE believes that any voluntary codes of conduct and monitoring procedures should be developed at global level, based on international conventions and guidelines. In addition, the proliferation of parallel initiatives in various international fora must be avoided to reduce the risk of conflicting requirements. UNICE therefore believes that the current review of the OECD guidelines for multinational enterprises offers a more appropriate route for dealing with these issues.
- The report seeks to establish a European Monitoring Platform to investigate corporate behaviour even though there appears to be no legal basis for such proposals.
- UNICE strongly objects to the appointment of “special rapporteurs” to hear cases on corporate conduct and investigate complaints. This would amount to creation, within the European Parliament, of a quasi-judicial body entrusted with the mission of controlling the behaviour of individuals, whether the latter are private persons or companies. Such an arrangement would threaten the necessary separation between the legislature and the judiciary.
- The institutional arrangements proposed in the report offer none of the guarantees of due process, impartiality and objectivity which the citizen is entitled to expect from any institution entrusted with quasi-judicial powers.
- Finally, UNICE is concerned that the proposals in this report would introduce the concept of extra-territorial action and would create problems regarding the sovereignty of the countries in question.

UNICE firmly hopes that any amendments aimed at dealing with these concerns will be supported by Members of the European Parliament.
