

His Excellency Mr Frans Timmermans
First Vice-President of the European Commission
BRUSSELS

The Hague
September 2017

We express our great appreciation for the Commission's Communication of 22 November 2016 on 'Next Steps for a Sustainable European Future', and especially for the strong message it sends on the important role of business and CSR/RBC in achieving the 2030 Agenda.

We are writing to you now to raise an important issue: the Commission's plans to continue work on an EU Action Plan on Responsible Business Conduct (RBC). This was agreed in the Foreign Affairs Council Conclusions on sustainable value chains of 12 May 2016¹ and on business and human rights of 20 June 2016.² Sweden's Deputy Permanent Representative to the EU, joined by Denmark, Finland, France and the Netherlands, raised this issue again in a letter before the Commission issued its Communication. The Council Conclusions on the SDGs of 20 June 2017³ also highlight the need for the private sector to take sustainable approaches and commit to RBC, including through multi-stakeholder partnerships.

Responsible business conduct, including responsible management of global value chains, is a prerequisite for achieving the SDGs and the 2030 Agenda. Irresponsible business practices have undermined support for open trade and investment regimes. Focusing on RBC is crucial in order to restore confidence in globalisation and trade and investment policies. EU governments have a role to play here, as

¹ 8833/16.

² 10254/16.

³ 10370/17.

these issues are strongly linked to governance gaps, such as deficiencies in the rule of law in developing countries and/or weak enforcement by governments.

We believe there is an urgent need for an EU action plan on RBC, because:

1. RBC policy in the EU has become fragmented. An EU action plan on RBC would sum up all the EU's RBC-related actions in both its internal and external policy, and affirm a common vision that RBC is the starting point for a sustainable, inclusive future. This would help foster policy coherence and consistency at both EU and national level.
2. RBC is crucial to achieving the SDGs. An EU action plan could further encourage RBC by all EU-based companies, and should be part of the implementation package for the EU's SDG 2030 agenda. It could also facilitate scaling up and exchanging best practices on multi-stakeholder RBC initiatives, which several EU member states are developing.
3. The EU is a world leader on RBC and does a great deal of proactive work in this area. Not having an RBC action plan for so many years decreases our visibility and denies us the credit we deserve. The world needs strong EU leadership on RBC, particularly with a view to resisting the backlash against globalisation.
4. Many stakeholders, including MEPs, EU governments, BusinessEurope, NGOs and trade unions have asked the EU to develop an EU action plan on RBC. It has been postponed many times, despite repeated calls from the Council to make this a priority.

Professor John Ruggie also referred in his letter to President Juncker⁴ to the importance of an EU action plan on CSR/RBC, and to the need for EU leadership to show that RBC is a central building block of a socially sustainable society.

Moreover, the G20 leaders in their declaration of 7-8 July 2017 underlined the importance of sustainable global supply chains. They made a commitment to foster the implementation of labour, social and environmental standards and human rights in line with internationally recognised frameworks. They said they would work towards establishing adequate policy frameworks in their countries, such as national

⁴ <https://www.shiftproject.org/resources/publications/ruggie-letter-european-commission-juncker/>.

action plans on business and human rights, and would underline the responsibility of businesses to exercise due diligence.

For all these reasons, Denmark, Finland, France, Sweden and the Netherlands would encourage the Commission to develop an EU action plan on RBC as soon as possible, to provide the European leadership that the world needs. We will be glad to work with and support the Commission in developing this plan. We have every confidence in the potential of EU businesses to help meet major global challenges like unemployment, poor working conditions, human rights violations, corruption and threats to the environment. We need to work in concert with the business community to make economic growth and development more sustainable.

also on behalf of France and Finland,

Lilianne Ploumen
Minister for Foreign Trade and Development Cooperation
of the Kingdom of the Netherlands

Ulla Tørnæs
Minister for Development Cooperation
of the Kingdom of Denmark

Brian Mikkelsen
Minister for Industry, Business and Financial Affairs
of the Kingdom of Denmark

Ann Linde
Minister for EU Affairs and Trade
Of the Kingdom of Sweden

Cc: Elżbieta Bieńkowska, European Commissioner for Internal Market, Industry,
Entrepreneurship and SMEs

Cecilia Malmström, European Commissioner for Trade

Neven Mimica, European Commissioner for International Cooperation and
Development