The Commission of the European Communities’ Green Paper: Promoting a European Framework for Corporate Social Responsibility

Friends of the Earth Consultation response
Submission from
Friends of the Earth(England, Wales &
Northern Ireland)

on the

The Commission of the European Communities’ Green Paper:
**Promoting a European Framework for Corporate Social Responsibility**

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Introduction

Friends of the Earth (England, Wales & Northern Ireland) welcome the opportunity to comment on the EU Green Paper for Corporate Social Responsibility. Friends of the Earth has been campaigning for more than 30 years for companies to take responsibility for their significant environmental and social impacts.

We hope the EU take this opportunity to ensure that companies not only act responsibly but they are also held accountable to their stakeholders.

What can the EU do to promote CSR

There are many ways the EU could create the necessary regulatory and legislative framework that will encourage CSR to flourish but will also ensure that companies remain accountable for their actions in terms of environmental sustainability and a just society.

Disclosure of lobbying on public policy (to support sustainable development)

Corporate social responsibility (CSR) has been described by the EU as “...a concept whereby companies decide voluntarily to contribute to a better society and cleaner environment.” and where companies are “…voluntarily taking on commitments which go beyond common regulatory and conventional requirements…”

We applaud those companies who wish to go beyond the minimum legal requirements in terms of encouraging a better society and cleaner environment. Indeed we believe that responsible companies will need to do more than promote CSR they should also support public policies that encourage sustainable development and a socially just society.

However we remain very concerned that CSR maybe used as a convenient excuse by companies to undermine necessary legislation and regulation that support sustainable development. There are plenty of instances of companies using their influence to ensure favourable tax regimes or to support policies that threaten the environment but precious little in terms of companies lobbying for legislation to support sustainable development.

While CSR can be valuable in terms of promoting better corporate behaviour it can never be seen as an alternative to good public policy and legislation. Furthermore companies need to held accountable for lobbying to undermine public policies that supports a cleaner environment and just society. To this end we believe that companies should have to disclose details of any lobbying (ie. membership of corporate lobby groups, joint government-industry committees and task forces) on public policy initiatives related to sustainable development (eg. climate change, ecological taxes, environmental liability).

Recommendation 1: That the EU require companies to disclose details of lobbying (ie. membership of corporate lobby groups, joint government-industry committees and task forces) on public policy related to sustainable development (eg. climate change, ecological taxes, environmental liability) in their annual reports.
Stakeholder rights

We are concerned at this trend toward ‘voluntarism’ to ensure corporate accountability such as codes of conduct. Voluntary commitments are hardly the basis for ensuring responsible corporate behaviour. There are many corporate codes of conduct from baby milk powder to the Global Compact. However most of these are just aspirational commitments from companies more often to protect their reputation rather than address stakeholder concerns.

Corporate codes of conduct suffer in terms of stakeholder credibility as they often are not independently verified, particularly by the stakeholders affected, and tend to rely largely on a company’s good will to ensure their implementation. This imbalance in terms of power and accountability means that stakeholders concerns can be ignored.

A welcome EU initiative is the current annual parliamentary hearings into individual companies and in particular the targeting of those with dubious ethical, social and environmental records.

We believe these hearings should be expanded and made more accessible so that an aggrieved stakeholder can bring a company that has been behaving irresponsibly before an EU parliament at any time. This would enable stakeholders to hold companies to account who don’t take their wider responsibilities seriously. There is also the advantage of using the hearings to ‘name and shame’ those companies who are not being responsible.

**Recommendation 2:** That the EU expands the role of European Parliamentary hearings of companies to hear complaints at anytime from affected stakeholders about companies who may have behaved irresponsibly (ie. breached a corporate codes of conduct) and to publish details of those hearings.

Company Reporting

If companies are to seriously address growing concerns about their environmental and social impacts then they need to be reporting on these impacts. Further in reporting on these impacts companies must ensure that they engage their stakeholders in a transparent and meaningful process or the credibility of their reports will suffer as a result.

It is clear that any reporting will need to be done in the context of sustainability and a just society. That is it is no use undertaking environmental and social reporting if you are not using indicators that measure sustainability and socially just policies and practices. For example when you record greenhouse emissions that would be in the context of meeting targets in relation to both reducing the impacts of climate change and how much pollution per person (ie. environmental space limit) could be allowed.

The Global Reporting Initiative (GRI) is a useful guide to sustainability reporting and has the benefits of being a global standard that has support from Government, industry, academics and ngos. This could provide a useful template for company reporting and importantly will help reinforce the triple bottom line of economic, social and environmental reporting essential to encourage sustainable development.
Currently there are mixed results in terms of environmental and social reporting across Europe and with the absence of common standards it is very difficult to compare companies in terms of environmental and social impacts. This is not only a problem for stakeholders when challenging companies but also for socially responsible investors who are need to compare companies in terms of environmental and social performance.

**Recommendation 3:** That the EU demand that all companies be required to publish environmental and social reports

**Recommendation 4:** That the EU require all companies to follow GRI guidelines when preparing their environmental and social reports

**Directors Duties**

One of the difficulties when getting companies to address significant social and environmental impacts of their business is that a directors primary legal duty is to consider what is best interests of the company and this has been narrowly interpreted as meaning its financial interests and in particular profit.

Directors need to be made accountable for a companies significant social and environmental impacts just as they are for their financial ones. To this end the EU should recommend that directors be made accountable for the significant environmental and social impacts of their companies. Only then will social and environmental issues be given the same weight as financial issues when making decisions about a companies business.

**Recommendation 5:** That the EU require that company directors are held legally accountable for any significant environmental and social impacts of their companies operations, both at home and abroad.

**Purchasing policy**

Purchasing policy is one area that Governments can be pro active in terms of encouraging sustainable development. Governments are large consumers in their own right and can play a major leadership role in terms of demonstrating good socially responsible practices when sourcing goods and services. However it is not only the leadership role that this initiative provides which is beneficial. There are also direct benefits in terms of contributing to a growing ‘green’ economy and in some instances providing sufficient orders to ensure that emerging green industries can develop to take on those in the ‘dirty’ economy.

**Recommendation 6:** That the EU recommend that Governments ensure that their purchasing policy require them
- to minimise the environmental and social impacts of any goods and services contracted out,
- to favour those suppliers who support environmentally sustainable (ie. renewable energy) and socially just (ie Fair Trade) ways of doing business
Socially responsible investment

Socially responsible investment has been growing rapidly across Europe but particularly in countries like the UK where recent pensions disclosure legislation has been used to raise awareness of how pension funds take into account ethical, social and environmental considerations in their investment decisions. Initiatives that encourage more disclosure on how investors take into account these issues is important in terms of driving CSR.

Socially responsible investment is growing and is likely to continue as more investors see the benefits of investing in those companies who take into account the important social and environmental concerns of their stakeholders like local communities, ngos, workers and local businesses and not just their shareholders. However this type of disclosure legislation should apply across the investment sector and not just for pensions.

**Recommendation 7:** That the EU recommend that all Governments introduce legislation requiring all investment managers

- to disclose if they take any ethical, social and environmental issues into consideration when making investment decisions,
- to provide evidence of any policies, guidelines, reporting mechanisms etc that support this approach

International corporate accountability

Friends of the Earth International (FOEI) which represents groups from over 60 countries worldwide is well aware of the reality that companies operate across many countries and different cultures. Therefore any initiatives to control corporate behaviour also need to recognise the need for international controls over companies.

In response FOEI has developed an international corporate accountability mechanism (see appendix) in consultation with FOE organisations from over 60 countries. Most FOE member groups are from developing countries. It is hoped that such a mechanism will be eventually adopted and allow citizens anywhere in the world to hold corporations to account for any significant social, economic and environmental impacts as a result of their operations.

The upcoming World Sustainable Development Conference in Johannesburg in September 2002 represents an ideal opportunity for the EU to provide their support to such an international corporate accountability mechanism. It is hoped that the EU will provide leadership at the summit on behalf of the citizens and the environment of Europe and push for companies to be brought back under the control of Governments and their citizens.

**Recommendation 8:** That the EU support the adoption of the proposed international corporate accountability mechanism at a global level under the auspices of the United Nations at the upcoming World Sustainable Development Conference at Johannesburg in September 2002.
Proposal for an International Corporate Accountability Convention
(Friends of the Earth International)

Summary
This briefing outlines proposed elements of a convention for securing the accountability of corporations to citizens and communities in today’s globalised economy. It explains why governments should collaborate to establish effective international and national law on corporate accountability, liability and reporting. This must be backed by effective sanctions and citizen and community rights to consultation, legal challenge and redress over environmentally and socially damaging corporate activities. The approach goes beyond voluntary corporate responsibility initiatives to establish corporate accountability to stakeholder citizens as a legal right. It seeks to help close the democratic deficit created by corporate globalisation by underlying the principles of rights, democracy and equity demanded by communities protesting against corporate globalisation.

Part 1 The need for a corporate accountability convention

Accountability to citizens
Over many decades the duties placed on companies and expectations of how they should behave have been a topic for public debate and regulation. From the end of slavery to health and safety standards, corporations have been required to act in ways deemed to be in a wider public interest. The use of legislation to constrain corporate activity is not new, but new forms of corporate accountability are today more vital than ever:

- economic globalisation and the growth of truly global companies means there is a tendency for constraints to be removed or relaxed;
- the growing scale of transnationals has consolidated economic power in the hands of boardrooms that are not subject to the accountability citizens expect;
- corporations are increasingly taking control of industries and services previously run by governments, without taking on the wide environmental and social responsibilities governments had to address; and
- the scale of corporate impacts is growing and those impacts are increasingly remote from both the owners and the customers of the company.

Yet presently corporations are only accountable to their shareholders.

FOE, of course, recognises the positive side to business - particularly small and medium sized enterprises forming part of local economies. Businesses are efficient at helping people meet their needs for material goods. But debate is growing over how corporate accountability to other stakeholders - as well as to shareholders - can be increased. The accountability corporations have to owners and shareholders is backed by detailed rules and regulations. We also need rules which spell out corporations’ accountability to other stakeholders.

Corporate social responsibility?
Employees, communities, consumer and public interest groups are raising concerns about the performance and impacts of corporations on employment practices, pollution, product safety and many other matters. The most serious concerns tend to be over corporate practices in poorer countries, where legal, environmental, health and safety standards are often low or poorly enforced.
In the fossil fuel sector concerns have been raised about pollution, resource expropriation and human rights abuses. Cases include Exxon in Indonesia, Shell in Nigeria and Premier in Burma and Pakistan. In the forestry sector, much trade is illegal - more than half the tropical timber entering the EU is likely to be illegally sourced. Logging on indigenous peoples’ lands, corruption, and felling primary forests by companies such as Asia Pulp and Paper in Indonesia are all common concerns. In the garment and toy trades sweatshop conditions, poor health and safety and use of child labour have been documented in suppliers for Nike and others. These multinationals are exploiting natural resources in the South to feed (primarily) Northern demands. This accumulates an “ecological debt” as Northern countries consume more than a fair and sustainable share of the world’s resources.

Corporations’ production costs are reduced by imposing (sometimes apparently non-financial) costs on the environment or society - in the jargon ‘externalising’ costs. They have an incentive to do this because they are judged by shareholders on how well they have maximised financial returns, be this within or (for example with corporations profiting from retailing illegally-sourced timber) outside the law. A few corporations make a virtue of internalising costs believing this voluntary ‘corporate social responsibility’ enhances their brand and provides a competitive edge. Such a strategy works for corporations which have become relatively accountable to their customers, but it works almost as well for some as a veneer of marketing hype disguising a grim reality.

Unless all companies are made equally accountable for their environmental and social impacts, we can expect little genuine improvement in behaviour. What is more, those corporations which want to become more socially responsible are being held back by competitors who can undercut them by continuing to externalise costs and demonstrating no responsibility.

Transnational solutions
Corporations are active across boundaries, and often their production, sales and ownership are in different legal jurisdictions with inconsistent regulations. Corporations are often listed on stock markets (and thus effectively domiciled) in countries remote from where they operate. Changes in the legal framework in any one country can have real or perceived impacts on the short-term competitiveness of companies in that country. Corporations lobby against such regulation (including threatening to relocate) exacerbating governments’ fears of economic impacts. The ability of powerful corporations to ‘chill’ government intervention in this way is one of the most pernicious effects of economic globalisation. This is “corporate globalisation” - growing corporate control over resources and politics at a global scale, within a neo-liberal economic framework.

To balance corporate globalisation, accountability to stakeholders must be through a multilateral agreement.

Beyond voluntary initiatives
Corporations, governments and even NGOs have hitherto responded to the widely recognised negative impacts of corporate activity through the development of voluntary initiatives. These include: hundreds of sectoral and company codes of conduct; various government voluntary initiatives; the proposed European Code of Conduct for European Enterprises Operating in Developing Countries (which has a monitoring and public hearing platform); the OECD’s Guidelines for Multinational Enterprises; and the UN’s Global Compact which appeals to signatory companies to abide by nine key principles of corporate responsibility. So far these have failed to prevent continued abuses of corporate power.

There are a number of reasons why:

• they do not provide strong incentives for compliance to counterbalance the financial incentives for non-compliance;
• they rely on the ‘appearance of compliance’ through ‘self-regulation’, without even independent verification; and
they fail to empower citizens and stakeholders. Instead, even where ‘stakeholder dialogue’
approaches are used, they present the issue of corporate responsibility as ‘top-down’ - defined
by the company or government. This inevitably can not satisfy stakeholders, even if it did help
reduce impacts in practice.

Governments must go beyond voluntary approaches and establish mechanisms which provide adequate
legal or financial incentives for compliance. They must also empower stakeholders to challenge
corporations. This is the step from ‘responsibility’ to ‘accountability’.

Who, where and when?
This is a challenging agenda and must be discussed in the most appropriate forum. It requires the
engagement of the World’s governments which means exclusive organisations such as the OECD (despite
their experience in this area) would be inappropriate. It cannot be under an organisation with a mandate
to promote economic liberalisation, so that excludes the WTO. Only the UN offers the right level of
inclusiveness. However, the agenda cuts across present UN organisations and processes, such as the UN
Environment Programme and the UN Human Rights sub-committee.

There is one clear opportunity: the World Summit on Sustainable Development in Johannesburg in
September 2002. It offers an ideal opportunity to initiate a negotiation on a corporate accountability
convention.

The objectives of corporate accountability
A corporate accountability convention must:
• result in an increase in incentives to avoid negative environmental and social impacts and adopt
  responsible practices. In particular removal of perverse incentives to externalise costs onto
  society and to maximise short term financial returns above all else;
• establish mechanisms for adversely affected stakeholders to obtain redress; and
• create a market framework in which progressive companies can thrive, and governments respond
  fairly to the demands of their citizens rather than to the lobbying of corporations.

FOE is advocating accountability for publicly traded corporations. Often, however, it is the economic
power of these corporations which drives smaller private companies to operate to lower standards - either
to compete or as suppliers to big corporations required to meet prices and timescales inconsistent with
high operating standards. Furthermore, large corporations can more easily meet higher standards more
quickly. Securing accountability of publicly traded companies must therefore seek to ensure private
companies improve their operating standards too.
Part 2 Elements of a corporate accountability convention

FOE here outlines elements of a convention that seeks to meet these objectives. They would establish checks and balances on corporate behaviour and ensure companies must earn a ‘license to operate’.

A corporate accountability convention would require signatory Governments to do the following:

New duties on corporations

1. Impose duties on publicly traded companies, their directors and board-level officers to:
   • report fully on their environmental and social impacts, on material risks and on breaches of environmental or social standards (such reports to be independently verified);
   • ensure effective prior consultation with affected communities, including the preparation of Environmental Impact Assessments (EIA) for significant activities and full public access to all relevant documentation; and
   • take the negative environmental and social impacts of their activities fully into account in their corporate decision making.

Duties on directors

Targeting directors ensures objectives can be delivered through existing mechanisms of corporate governance and there are directly responsible individuals to deliver them. In most regimes directors take their legal responsibilities seriously because they can be debarred from holding directorships if they breach them.

Focusing on those corporations traded on stock exchanges (eg UK Public Limited Companies (Plcs), German Aktiengesellschaft (AG) and French Societe Anonyme (SA)) is less ambitious than Governmental codes of conduct such as the UN Commission on Human Rights initiative, and the OECD Guidelines which capture all business entities (as “juridical persons”). While it may act as an disincentive for companies to issue shares, it nevertheless offers several advantages:

• It captures both the majority of impacts of public concern, and the majority of transnational companies. Although the regime we are proposing is not foreseen as imposing a heavy regulatory burden, it deliberately excludes unlisted small and medium sized enterprises which have impacts of public concern, but are of great significance to local economies and livelihoods in many countries, and have limited capacity to deal with regulatory requirements.

• The legal foundation of the publicly traded corporation model is the duty to maximise shareholder returns. It is this duty which drives the externalisation of costs onto the environment and society.

• There are existing mechanisms established in law in many countries which could be adapted to implement these measures for public companies. Moreover, the benefits of publicly-traded status are effectively a substantial subsidy from society to these corporations - for which society can legitimately expect some return.

Reporting

The aim here is to establish the principle of reporting issues which are of interest and concern to the public, rather than simply those of financial interest to shareholders. Reporting serves two basic purposes. It ensures a corporation’s attention to the things that must be reported (for example how it is performing against standards). It also provides a mechanism for the public, including investors, to identify the corporation’s impacts. Such information is fundamental for active investor and other stakeholder participation.
Reporting on risks is particularly important for investors as it ensures they have the same level of knowledge as the corporation does about its business. The definition of ‘material’ in this case must include not only what are conventionally recognised as financial risks, but also risks of damage to environmental or social interests.

Corporate reporting and disclosure are presently subject to wide debate. The Global Reporting Initiative format may prove adequate in terms of coverage, but must also require verification - preferably by affected stakeholders through some form of independent assurance. The Forest Stewardship Council represents a good sectoral model.

Prior consultation
Prior consultation is a leading demand from communities in Southern and East European countries. They have experienced the disruptive impact of inward investment and have had limited or no opportunity to participate in decision-making (on planning applications for example) in ways considered normal practice in many Northern countries. Similarly EIA is expected by some authorities (eg the EU) and public finance mechanisms (eg the World Bank) but is not a minimum requirement elsewhere.

This demand requires a higher degree of disclosure, transparency and prior notice about corporate activities. It is equivalent, for example, to the requirement in some European countries for notification of workforces of changes planned by management. High standards for implementation will also be needed as the experience in developing countries is often of selective consultation and misleading use of data.

Taking account
At present directors of publicly traded corporations have a duty to account to shareholders and maximise financial returns. This new provision would require them also to account to other stakeholders such as communities, and to balance financial returns with the interests of these other affected stakeholders.

Corporations will argue that such a requirement would be confusing and impractical for directors. But directors are already subject to legal challenge from investors and customers in certain circumstances. They must also balance the short and longer term interests of investors, for example in deciding how much profit to distribute as a dividend. This provision extends those circumstances to include a wider range of public interests. It deepens the concept of due diligence and applies it to all corporations, (including investors). It implies that due diligence incorporates social and environmental effects and assessment of whether governments have met relevant international standards or requirements.

Extended liability of corporations

2. Extend legal liability to directors for corporate breaches of national environmental and social laws; and introduce corporate liability for breaches of international laws or agreements.

Directors’ liability
Beyond new duties for directors there are responsibilities relating to existing national environmental and social laws. Directors should be personally responsible for company performance on applicable laws.

International agreements and laws
Extending corporate liability to activities that breach international agreements is already under consideration by UNEP which is exploring the potential for a Framework Convention on Liability. This would ensure that many existing agreements on the environment and human rights which currently apply only to states could now be applied to corporations.
New rights of redress for citizens

3. Guarantee legal rights of redress for citizens and communities adversely affected by corporate activities, including:
   • access for affected people anywhere in the world to pursue litigation where corporations are domiciled or listed;
   • provision for legal challenge to company decisions by those with an interest; and
   • a legal aid mechanism to provide public funds to support such challenges.

Access to justice
Access to justice is essential for securing accountability. Our proposal ensures that individual citizens, communities and third parties, such as pressure groups representing environmental or social interests, can pursue cases in a company’s home country courts where necessary.

Action where listed
Presently there are highly variable opportunities for stakeholders, even employees, to seek redress where ultimate ownership may be remote - a typical situation with most transnationals. Companies domiciled in the US may face actions under the US Alien Tort laws. The Brussels convention on jurisdiction, states that for EU-based parent companies the country of domicile is the place of jurisdiction. Yet few, if any, ‘foreign direct liability’ actions have been brought. Cases are often defeated or discouraged by the problems of access to relevant and fair courts. The time cases take is a disincentive - for example, the Cape Asbestos case has taken several years to be heard, and in the meantime some of the workers made ill by exposure to asbestos have died.

There is also a strong case for states having legal responsibility for the actions of corporations domiciled there. In situations where redress would otherwise not be available, such as after bankruptcy, citizens and communities would then still be able to pursue their case. A precedent is the assumption of state responsibility for outside pollution caused by anyone within its jurisdiction.

Challenge to decisions
If corporations and directors have new duties, rights are needed for those who have cause to challenge the decisions they have taken. This would give legal force to new duties and to corporate environmental and social reporting. Rights of legal challenge would need to prevent vexatious cases, while ensuring real concerns are not excluded by loopholes. Third party stakeholders might be expected to demonstrate an interest or show damage to be able to pursue a case.

Legal aid
Citizens in the developing World are daunted by the costs involved and most potential litigants by the risk of a corporation’s costs being charged to them if a case is lost. Therefore a legal aid mechanism is necessary.

Community rights to resources

4. Establish human and community rights of access to and control over the resources needed to enjoy a healthy and sustainable life, including rights:
   • over common property resources such as forests, fisheries and minerals for indigenous communities;
   • to prior consultation and veto over corporate projects,
   • against displacement; and
   • to compensation or reparation for resources expropriated by or for corporations.
Friends of the Earth has long advocated human rights to live in a clean and healthy environment. Control over resources is an elaboration of such rights. Such a provision would probably be interpreted differently in different countries, but would be particularly supported by communities in Southern countries where this is a key issue. For such rights to be meaningful they need to be legally actionable. One useful precedent is the 1975 Land Rights Act in Australia which gives Aboriginal peoples right of veto over mining on their land. In practice, this has allowed them to set conditions relating to royalties, job provision and training.

**Establishment of high standards**

5. *Establish (and enforce) high minimum environmental, social, labour and human rights standards for corporate activities - based for example on existing international agreements and reflecting the desirability of special and differential treatment for developing countries.*

The focus of this proposed convention is on implementation mechanisms because of the imperative need to develop capacities - especially in poorer countries and communities - to ensure relevant standards are implemented and enforced. But international minimum standards for corporate performance are necessary. Principally such standards should be based in existing and developing multilateral environmental and social agreements (and others as necessary) and the ongoing work of the UN Sub-commission on Human Rights working group on transnational corporations. It would be easy to get bogged down in the details of standards, but once effective implementation mechanisms are in place then the development of standards can follow.

The concept of ‘special and differential treatment’ for developing countries is established in some international agreements. It may be appropriate to apply such an approach to this provision giving developing countries longer to establish standards and access to financial support.

**Sanctions**

6. *Establish national legal provision for suitable sanctions for companies in breach of these new duties, rights and liabilities (wherever the breaches occur) such as:*

- suspending national stock exchange listing;
- withholding access for such companies to public subsidies, guarantees or loans;
- fines; and
- in extreme cases the withdrawal of limited liability status.

The threat of robust sanctions provides an incentive for corporations to respect greater accountability. They are necessary to protect affected people (including future generations) and non-human species. A set of appropriate legal sanctions are needed. Provisions exist for suspending stock market listings in some countries - for example for breaches of reporting requirements. Such provisions need to be extended in scale to cover all countries, and in scope to cover environmental and social issues. The withdrawal of limited liability status is more-or-less the death sentence for a company. It should be seen as a final sanction for repeat offenders and possibly only available to the International courts.

Governments can control access to public support for corporations and therefore this also represents an opportunity for securing corporate accountability. The principle of screening corporations for eligibility for public support must be established. There are precedents: some countries are considering withholding export credit guarantee from companies in breach of the corruption convention or the OECD Guidelines for multinational enterprises. Also loans by international financial institutions such as the World Bank are already screened.
Role of International Criminal Court

7. Extend the jurisdiction of the International Criminal Court to try directors and corporations for environmental, social and human rights abuses.

The International Criminal Court would provide an independent and public forum for hearing cases. A convention would need to define which categories of cases are eligible for hearing or referral to this court. One option which may be more appropriate for some cases would be to establish a parallel world environment court.

Improved monopoly controls

8. Establish international controls over mergers and monopolistic behavior by corporations.

The growth of corporate scale has led to the consolidation of economic power and increasing political influence. At present countries are under pressure from corporations with national links or based there to relax anti-trust and merger controls to enhance competitiveness in global markets. This measure would need to reinforce national controls while providing a robust system to prevent the development of monopolies at any scale or over any market, national or international.

Implementation mechanism

9. Establish a continuing structure and process to monitor and review the implementation and effectiveness of the convention.

An effective institutional structure, rigorous implementation and enforcement and an effective monitoring system are essential for a convention such as this to work. Clearly all stakeholders would have to have opportunity to access the process, including NGOs. Continuous review would allow for updating content - for example with respect to performance standards. Effective outreach and education to increase the profile of the agreement with those who might make use of it would be essential not the least because this would increase its incentive effect on corporations.
Friends of the Earth inspires solutions to environmental problems which make life better for people

Friends of the Earth is:

- the UK’s most influential national environmental campaigning organisation
- the most extensive environmental network in the world, with almost one million supporters across five continents and 68 national organisations worldwide
- a unique network of campaigning local groups, working in over 200 communities throughout England, Wales and Northern Ireland
- dependent on individuals for over 90 per cent of its income.