



Oral Statement by the Business & Human Rights Resource Centre

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**United Nations Human Rights Council
Open-ended Inter-Governmental Working Group on transnational corporations and other
business enterprises with respect to human rights (4th Session)**

General Statements (Item 4)

15 October 2018

Thank you Mr. Chair.

Business & Human Rights Resource Centre tracks the human rights impacts of over 8000 companies. We seek responses from companies in relation to over 400 allegations of corporate abuse each year. Our evidence confirms that big business enjoys an inequality of power and wealth over the communities and workers in their operations and supply chains. This inequality often leads to impunity which emboldens ruthless companies to pursue profit at the cost of the welfare of workers and communities.

For instance, our Corporate Human Rights Benchmark gave 100 of the world's largest companies an average score of just 16% for their Remedies and Grievance Mechanisms. Only a small cluster of responsible companies appear willing to voluntarily address their impact on the vulnerable. This leadership group includes Adidas, Unilever, and BHP Billiton.

It is therefore critical that the UN Guiding Principles and Treaty process tip the balance by reinforcing each other as an international system that pursues genuine protection and remedy for victims. We would highlight three key tests for an effective Treaty, for all businesses, transnational, national, and state-owned. These tests echo elements of the Zero Draft, and of the conclusions of the Access to Remedy Project carried out by the Office of the High Commissioner for Human Rights and endorsed by the Human Rights Council.

Firstly, regulation must take account of the particular needs of people at high risk of vulnerability in companies' operations and supply chains. Proper consultation of these stakeholders is key. This means addressing gender-specific risks. For instance 85% of workers in the Cambodian apparel sector are women, because they are some of the "cheapest needles" for global apparel brands. The protection of human rights defenders working on business activities must also be addressed, as attacks on them grow rapidly.

Secondly, the Treaty should strengthen access to effective remedy and justice nationally and extraterritorially for when things go wrong. The Treaty should guarantee extraterritorial obligations by states, piercing the 'corporate veil' that subsidiaries use to avoid justice, and insist on mutual cooperation and legal assistance across borders.

Finally, the Treaty should accelerate and reinforce national and international trends towards mandatory transparency and mandatory due diligence, to ensure that companies take adequate action to prevent abuse.

Given the profound loss of public trust in global markets since the economic crisis of 2008, we need the UN Guiding Principles to ensure that human rights are put at the heart of business. We believe an effective Treaty could serve to reinforce the Principles, to the benefit of all.

Thank you.