

HUMAN RIGHTS COUNCIL – 56th SESSION

Interactive Dialogue with the Working Group on the issue of human rights and transnational corporations and other business enterprises

26 June 2024

Mr. Robert McCorquodale, Chair of the Working Group on the issue of human rights and transnational corporations and other business enterprises, shared the report on investors, environmental, social, and governance (ESG) approaches, and human rights. This underscored the urgency to implement the Guiding Principles on Business and Human Rights (UNGPs). It acknowledged that a key challenge is that most financial actors fail to connect human rights standards and processes with environmental, social, and governance criteria and investment practices. This is because of a prevailing lack of understanding in the sector that social criteria, and many environmental and governance indicators, reflect human rights issues. The report aimed to raise awareness of the responsibility of investors to respect human rights, to clarify the baseline responsibilities of investors under the UNGPs, and to provide recommendations as to how the UNGPs can be applied by investors in their ESG and sustainability approaches.

ESG approaches vary widely across different investors, investment strategies, and asset classes. These approaches lack uniform definitions and are not linked to any specific global standards, leading to risks of greenwashing and human rights-washing.

The report underscored the importance for States to create consistent and robust standards. Investors must place risks for people and the planet at the centre of their decision-making to fulfill their responsibility to respect human rights. The WG noted the need for a collaborative effort between investors, investees, States, and rightsholders to achieve meaningful access to remedies. They should also contribute to more just and accountable frameworks that ensure the protection of, and respect for, human rights in relation to investment activities.

Additionally, Mr. McCorquodale shared outcomes from the recent visit to Japan. He welcomed important advances by the Government on business and human rights, including the development of a National Action Plan on business and human rights and the issuance of the Guidelines on Respecting Human Rights in Responsible Supply Chains. The WG likewise commended the ongoing efforts of the Government, businesses, and civil society to build capacity and raise awareness of the UNGPs and the National Action Plan on business and human rights.

However, he expressed concerns about systemic human rights challenges in Japan, particularly deeply embedded harmful gender and social norms, which were particularly evident in the workplace, and discrimination and harassment experienced by women, Indigenous Peoples, Buraku people, persons with disabilities, migrant workers, and LGBTQI+ persons, among other groups. These concerns are not being sufficiently tackled as part of State and private sector initiatives in the business and human rights space. The establishment of an independent national human rights institution in Japan would serve to address these issues, closing a significant gap in Government efforts to promote business respect for human rights and enforce corporate accountability.

The Working Group observed additional challenges and opportunities related to business and human rights in Japan, including on health, climate change, and the environment, in relation to cases such as the redevelopment of the Meiji Jingu Gaien; labor rights, especially those of migrants; the media and entertainment industry; and in regulating value chains and finance.

In conclusion, he referred to the 2023 Regional Forum for Latin America and the Caribbean on Business and Human Rights, and the 2023 Forum on Business and Human Rights. The latter forum reflected on the changes that have occurred in the 12 years of normative development since the establishment of the UNGPs, including the actions that States have taken to incorporate these standards through regulation and policies, the extent to which businesses have applied these standards in their practices throughout their operations, and whether judicial and non-judicial remedies in this area are more available and accessible to those adversely impacted by business-related human rights abuses.

The Regional Forum provided an opportunity to share practical experiences, foster peer learning, and discuss the distinct, yet complementary, roles of government, civil society, and business enterprises in identifying, preventing, mitigating, and resolving adverse effects of business operations on both human rights and the environment. The forum addressed specific issues, including the interconnectedness of the business and human rights, and the environmental, agendas; the progress and challenges of policies and legislation ensuring the protection of human rights and the environment; the rights to information, participation, and redress and the way they can strengthen human rights due diligence processes, particularly in the agribusiness, mining, and finance sectors.

Japan (concerned country) said that the WG's report is intended to clarify business and human rights challenges and disseminate and raise awareness for efforts to respect human rights. While the Government of Japan does not agree with all of the points raised in the report, it will serve as a reference for future discussions. It noted a lack of objectivity in the report's findings. The Government of Japan will continue to actively contribute to further progress in the international community's efforts regarding business and human rights.

Interactive dialogue

39 country delegations took the floor during the interactive dialogue, all of which stressed the importance of the rule of investors and the promotion and protection of human rights. While the primary responsibility for protecting and promoting human rights lies with their status, investors also bear responsibility for the protection of human rights, added **Iran**. One of the most significant manifestations of investor failure in this regard is the over-competence with unilateral measures. These measures which are inherently contrary to international law become a major factor in violating the human rights of hundreds of millions of people in sanctioned countries.

The EU affirmed its range of solid measures and legislation on sustainable finance. **Gambia** recognized the crucial importance of these principles in ensuring business activities, including those of transnational corporations and investors, respect human rights and contribute to sustainable development. Local communities should be involved in decision-making, benefit directly from investments, and have access to effective remedies for human rights violations.

Indonesia called on global investors worldwide to adopt human rights in their investment decisions and immediately divest from businesses that aid, abet, and commit human rights violations. **Iraq** reiterated the importance of strengthening transparency and the international human rights criteria so that this is in line with the normative and ethical framework; importance also, to raising awareness among investors on respect for human rights.

The USA focused on the National Action Plan on responsible businesses conducting human rights due diligence across their value chains. **Colombia** recognized the existing relationship between the social environmental criteria and governance and respect for human rights. Transparency of investors, as regards their investments and the companies and funds, must contribute to bringing about the

changes required in legislation with the participation of all stakeholders to ensure respect for human rights and current and future generations.

The Russian Federation focused on developments of the negotiating process of developing a legally binding international document on transnational corporations and other enterprises when it comes to human rights. There is a need to step up overall efforts to mainstream the guiding principles around the world in general. **China** affirmed that through comprehensive measures reflecting UNGPs, is actively conducting publicity and training on the newly revised guidelines on environmental protection in overseas investment and cooperation for the guiding enterprises to strengthen ecological and environmental management throughout the project's life cycle, enhance compliance awareness and the ability to avoid environmental risks in overseas projects. **Brazil** reported its national policy on business and human rights which is working in consultation with civil society organizations, experts, companies, and other entities.

UNDP reported its future implementation of the finance against slavery and trafficking initiative at the field level with a strong focus on meaningful survivor engagement; that was one of the founding partners of the task force on nature-related financial disclosures and is an active member of the coalition working to establish a task force on inequality and social-related financial disclosures which will be instrumental in these efforts; and produced a report to explore the capacity of ESG investment to advance human rights in Asia. **UNICEF** focused on children's rights, as children remain an overlooked and insufficiently prioritized group in the business and human rights space. Agreed on the need for a more holistic approach to children's rights considering both direct and indirect business impacts on children.

NGOs agreed that there is a need for improved data and that it is not enough for investors to note the existence of a human rights policy. Echoed the report's call for greater investment in capacity building and human rights education. **Human Rights Now** urged the government of Japan and businesses to fully implement its recommendations including establishing mandatory human rights due diligence and the national human rights institution. **CIEL** echoed that states must mandate the disclosure of transparent information and that improvements to data provision would require qualitative and quantitative assessments of investors' human rights performance and the engagement of affected stakeholders. **CIMI** raised the Council's attention to the importance of taking lessons from concrete cases. In the Brazilian Amazon, a large mining project on indigenous land is a demonstration of how little such transnational enterprises comply with established human rights norms, especially in areas where governmental interests run deep.

Delegations that took the floor during the Interactive dialogue (39 country delegations):

EU, Gambia (on behalf of the African Union), Ecuador, Iran, Ireland, Nepal, Luxembourg, Egypt, Indonesia, France, Belgium, Iraq, United States of America, Colombia, Russian Federation, Cote d'Ivoire, China, Brazil, Senegal, Togo, Cameroon, Cuba, United Kingdom of Great Britain and North Ireland, Switzerland, Ghana, Venezuela, South Arica, State of Palestine, Thailand, Malawi, Cambodia, Azerbaijan, India, Namibia, Albania, Ukraine (on behalf of a group of countries), Bangladesh, Armenia, Honduras.

NHRIs and NGOs that took the floor during the Interactive dialogue (10):

International Human Rights Internship Program, Human Rights Now, International Pro Bono Legal Services Association Limited, Peace Brigades International, CIEL, CIMI, Colombian Commission of Jurists, Friends World Committee for Consultation, Right Livelihood Award Foundation, CELS.

International Organizations: UNDP, UNICEF.

To watch the full meeting refer to the UN WEB TV: [Part 1](#) and [Part 2](#).