



**Oral Statement by Mr. Robert McCorquodale
Chairperson, Working Group on the issue of human rights and
transnational corporations and other business enterprises
56th session of the Human Rights Council
Geneva, 25 June 2024**

President of the Human Rights Council, Excellencies, Distinguished delegates,

I am honoured to present the reports of the Working Group on Business and Human Rights to the Human Rights Council. The Working Group's thematic report underscores the urgent need for investors to implement the Guiding Principles on Business and Human Rights, also known as the UNGPs. I will also report on the Working Group's official country visit to Japan (in July and August 2023), as well as on the Working Group's addendum report on the 8th session of the Regional Forum for Latin America and the Caribbean. I will acknowledge the presentation of the report on the 2023 Forum on Business and Human Rights later in this 56th session of the Council.

In its stocktaking exercise in 2021, the Working Group had acknowledged that a key challenge is that most financial actors fail to connect human rights standards and processes with environmental, social and governance, or ESG, 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 Working Group thus sought, through this report, 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 in 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. Further exacerbating this is the fact that existing rating providers' methodologies lack transparency and tend to amalgamate E, S, and G criteria into

one overall score. Investors need decision-useful data from investees on human rights and alignment with the UNGPs across each of the E, S and G criteria.

The report underscores the importance for States to create consistent and robust standards, including through a smart mix of measures, to avoid isolating any of the E, S and G criteria, in order to ensure that human rights considerations are applied across all of them. This includes ensuring that State-owned financial institutions comply with the UNGPs, and including investors and human rights in ESG criteria, for example, in mandatory human rights due diligence legislation.

Investors, on the other hand, must place risks for people and the planet at the centre of their decision-making to fulfil their responsibility to respect human rights. This could be done by embedding human rights into their policies and strategies, undertaking ongoing human rights due diligence, and ensuring remediation of adverse human rights impacts they cause or to which they contribute. Investors should also facilitate remedy, including through exercising leverage, when they are directly linked to adverse human rights impacts.

The Working Group notes the need for a collaborative effort between investors, investees, States and rightsholders to achieve meaningful access to remedies, and to contribute to more just and accountable frameworks that ensure the protection of and respect for human rights in relation to investment activities.

We thank all stakeholders who contributed to the consultation process culminating in this report.

[CV Japan]

Excellencies,

I now turn to the country visit to Japan. The Working Group thanks the Government for the excellent support during the preparation and conduct of the visit, and their openness to discuss experiences, challenges, and ways to overcome them. The Working Group expresses its gratitude to civil society representatives, including journalists, academics, trade unions, workers, and to businesses and other stakeholders who shared their experiences with us.

The Working Group visited Japan from 24 July to 4 August 2023. The report 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 Working Group likewise commends 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, the Working Group expressed concerns about systemic human rights challenges in Japan, particularly concerning 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. In collaboration with civil society, Government and business initiatives to promote diversity and inclusion and to safeguard the rights of these at-risk groups are crucial moving forward. 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; labour rights, especially those of migrants; the media and entertainment industry; and in regulating value chains and finance. For instance, the Working Group identified an opportunity for increased Government and private sector efforts to urgently address the continued lack of access to remedy for the cases of workers involved in the Fukushima Daiichi disaster's clean-up efforts, and for several hundred workers formerly associated with Johnny and Associates, now known as Smile-Up, who were victims of sexual abuse and exploitation.

Advancing the implementation of the UNGPs in Japan is critical, not only for consolidating the country's reputation as a leader in promoting the business and human rights agenda regionally and globally, and also for enhancing the positive human rights impacts and competitiveness of Japanese businesses at home and overseas.

Excellencies, I am turning now to the addendum reports I mentioned earlier.

[LAC Forum]

The Eighth Regional Forum for Latin America and the Caribbean on Business and Human Rights, themed "Building bridges between business, human rights and the right to a healthy environment", was held from 10 to 12 October 2023, in Santiago de Chile with an in-person meeting with online streaming. Organized by the Working Group and OHCHR in the framework of the EU-funded project on Responsible Business Conduct in Latin America and the Caribbean (RBCLAC), it hosted 38 sessions with over 400 participants. The Regional Forum provided an opportunity to share practical experiences, foster peer-learning, and discuss the distinct, yet complementary, roles of the government, civil society and business

enterprises in identifying, preventing, mitigating and resolving adverse effects of business operations on both human rights and the environment. Specific issues that were addressed included 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 (also known as access rights) and the way they can strengthen human rights due diligence processes, particularly in the agribusiness, mining and finance sectors; the special needs and risks of specific groups such as human rights and environmental defenders, and the challenges of the just energy transition agenda, among others. The 9th Regional Forum will be held in Brazil in 2025.

[Annual Forum]

The 2023 Forum on Business and Human Rights, titled “Towards effective change in implementing obligations, responsibilities and remedies”, was successfully conducted in person with online transmission from 27 to 29 of November 2023. The Forum reflected on the actual 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 report on the Forum will be presented to the Council on 3 July.

Thank you.