

ICC Briefing on UN activity on Business and Human Rights

UN 2024 Forum on Business and Human Rights

ICC engaged at the 13th UN Annual Forum on Business and Human Rights that took place in Geneva from 25 through 27 November 2024. This year's Forum attracted approximately 3000 participants with approximately 20% from business. The areas addressed including Access to Remedy, Indigenous Peoples rights, and the UN draft mandatory treaty on business and human rights.

ICC addressed the Forum in the main room during a session on the arms industry, calling attention to the support that can be provided by ICC Guidance on Responsible Business in Challenging Contexts.

One theme underscored at the Forum was the widespread expectation for supply chain due diligence from companies, whether it is required or not. Discussions also focused on the transposing legislation being developed by member states on the EU <u>CSDDD</u> regulation and perspectives from non-EU countries on how to align regulatory frameworks with the CSDDD in a way that was not unduly bureaucratic.

The importance of real collective action between business, governments and civil society was also underscored across a number of Forum sessions.

Business engagement at the UN Forum appeared less significant than in past years. There appeared to be less company-organized panels and less interaction between governments, civil society and businesses. A challenge for businesses participating can be that by visibly communicating on meaningful action that they are taking on human rights, this can paradoxically render them vulnerable to heightened examination or criticism.

UN 10th session to negotiate a draft treaty on business and human rights

ICC will engage in the 10th session on the UN draft mandatory treaty on business and human rights taking place next week in Geneva from 16 through 20 December 2024.

The process on this treaty was initiated in 2014 when the UN Human Rights Council—led by Ecuador and South Africa—created an <u>open-ended intergovernmental working group</u> (IGWG) with the remit of developing a "legally binding instrument to regulate the activities of transnational corporations and other businesses". Governments from north states have not been engaging substantially since the start; some have begun only recently participating in a more active mode.

The latest <u>draft treaty</u> was issued in July 2023; the draft that will be considered at the next 10th session will be a track change version of that same text, reflecting submissions from the states. The draft aims to address the rights of access remedy, and to require governments to ensure companies respect human rights. It applies legal liability to natural and legal persons, including criminal and civil liability.

If approved, transposing legislation by states that adopt it would make the treaty binding on companies in their jurisdictions.

Key stumbling blocks have included consensus on scope, with a number of south countries calling for it to apply just to multinational enterprises, and a number of north countries calling for its application, if it comes into force, to all companies, including multinational, domestic and SOEs. There are also concerns conveyed about liability being extended to natural persons. Another area of concern is that the process involves negotiation without meaningful engagement with business.

Resources have recently been allocated to holding intersessional meetings to advance the process, and five legal experts have been appointed with a view to support progress on areas of contention. A new Chair-Rapporteur, Ambassador Marcelo Vázquez Bermúdez, Permanent Representative of Ecuador to the UN, has recently been appointed to oversee the process on the draft mandatory treaty.

ICC has throughout this UN process been conveying its fundamental support for the primacy of the UN Guiding Principles on Business and Human Rights, the primary role of the of the state in protecting human rights, and the importance of collaborative approaches for solutions in the business and human rights agenda.

ICC has at the same time been conveying that it remains concerned at the current UN treaty-based approach. We are emphasizing that any future frameworks need to be internationally consistent; and need to align fully and completely with the standards embodied in the UNGPs. ICC is underscoring that without this, it is our concern that future legal developments may disrupt the constructive efforts of companies already working to implement the UNGPs.

ICC welcomes input on this process from its members and national committees at all times.

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