Joint trade union proposals for textual amendments to the updated draft of the legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises
The global trade union movement welcomes the opportunity to provide specific textual proposals on the updated draft of the Legally Binding Instrument.

The Global Unions note and appreciate the work of the OHCHR and the Chairperson-Rapporteur of the Open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights during the inter-sessional period. However, we regret the lack of meaningful trade union consultation in the Friends of the Chair process despite our multiple offers to provide input from the world of work. We also note with concern that none of our comments on Article 1-14 of the LBI submitted on 31 March 2023 are reflected in the updated draft.

In line with our written and verbal submissions to the 7th and 8th sessions of the IGWG, the Global Unions continue to reiterate that the third revised draft offers conceptual clarity and a text that is politically viable for States and non-State actors alike. That text, which enjoyed considerable support from a cross-section of governments and civil society organisations at the two previous Sessions, should set the benchmark for the 9th Session.

We note that the updated draft incorporates a number of the Suggested Chair Proposals, which appear to streamline the provisions by making them less prescriptive. While this is aimed at achieving the broadest possible support for the draft, we believe that there is a risk of losing much-needed detail to truly achieve accountability for corporate human rights abuse.

We note with concern that key provisions, including Articles 6 (Prevention), 7 (Access to Remedy), 8 (Legal Liability), and 9 (Jurisdiction), have been significantly diluted in the updated draft. Similarly, a number of preambular provisions and definitions have either been amended, streamlined or deleted. These changes do not respond to the ambition of Human Rights Council Resolution 26/9. The LBI needs to be an instrument that effectively realigns the normative asymmetry between the legally enforceable rules that protect corporate interests through Investor-State Dispute Settlement (ISDS) provisions and arbitration tribunals, and the soft law approaches to TNCs obligations to respect human rights. Any deviation from this purpose will be a major setback in the fight against corporate impunity.

We also deeply regret the deletion of all language related to the climate crisis and business obligations to prevent, mitigate and remedy environmental harm, including the non-controversial recognition of the established human right to a clean, healthy and sustainable environment. There is international consensus, as demonstrated most recently in the revised OECD Guidelines for Multinational Enterprises, on the need to recognise the key role of business in responding to global, regional and local environmental challenges, including the urgent threat of climate change. Workers around the world need a just transition to a sustainable economy, a right we believe is firmly embedded in international human rights and labour law.

Despite our significant concerns on the updated draft, the Global Unions will engage constructively at the 9th session with a view to building consensus. Indeed, we acknowledge certain improvements to the text in the updated draft, most notably in relation to access to information, legal aid, and stakeholder consultation.

Almost a decade into this process, it is time to take advantage of this once in a generation opportunity to close a major gap in international human rights law and to end the impunity for corporate human rights abuses.
Textual amendments

PREAMBLE

PP2

(PP2) Recalling the nine core international human rights treaties adopted by the United Nations, and the eight fundamental conventions adopted by the International Labour Organization, as well as other relevant international human rights treaties, conventions and declarations adopted by the United Nations and by the International Labour Organization;

At its 110th Session in June 2022, the International Labour Conference decided to amend paragraph 2 of the ILO Declaration on Fundamental Principles and Rights at Work (1998) to include “a safe and healthy working environment” as a fundamental principle and right at work. With the adoption of this Resolution, the International Labour Conference decided to designate the Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) as fundamental Conventions bringing the total number of ‘fundamental conventions’ to eleven.

We further encourage the inclusion of ILO and UN Declarations in PP2. ILO Declarations are resolutions of the International Labour Conference used to make a formal and authoritative statement and reaffirm the importance which the constituents attach to certain principles and values. Although declarations are not subject to ratification, they are intended to have a wide application and contain symbolic and political undertakings by the Member States. Relevant Declarations for the LBI include the ILO’s Declaration of Philadelphia (1944), the Declaration on Social Justice for a Fair Globalization (2008), and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, as amended.

PROPOSED NEW PP5

Recalling that International Labour Standards provide States with the tools to implement their obligations concerning human rights at work and establish mechanisms for labour inspection and enforcement necessary to realize decent work for all.

We strongly recommend the inclusion of this new paragraph to better articulate the scope of labour rights within the context of the LBI.
PROPOSED NEW PP8

Recalling the State duty to exercise adequate oversight in order to meet their international human rights obligations when they contract with, or legislate for, business enterprises to provide services that may impact upon the enjoyment of human rights.

We recommend the inclusion of a new paragraph highlighting the State duty to protect human rights in situations where a commercial nexus exists between public actors and business, such as when government bodies purchase goods and services through public procurement, and in connection to privatisation.

PROPOSED NEW PP 10

Reaffirming the primacy of international human rights law over any other international agreement, including those related to trade and investment;

Reaffirming the primacy of international human rights law over trade and investment agreements reflects the spirit of Article 103 of the Charter of the United Nations.

PROPOSED NEW PP13

Recognizing that inclusive and concerted action is essential to realize human rights, including a just transition towards environmentally sustainable economies for all, achieve social justice, promote universal and lasting peace, and acknowledging that the failure to respect and fulfil human rights constitutes a threat to social progress;

We strongly recommend the inclusion of a new paragraph highlighting the importance of fulfilling and respecting human rights in a business context for the achievement of environmental and social justice.

PP12

(PP12) Underlining that business enterprises, regardless of their size, sector, location, operational context, ownership and structure have the responsibility obligation to respect internationally recognized human rights, including by avoiding causing or contributing to human rights abuses through their own activities and addressing such abuses when they occur, as well as by preventing human rights abuses or mitigating human rights risks linked to their operations, products or services by their business relationships;

While it is evident that the deletion of the term “obligation” in favour of “responsibility” is intended to help the LBI not diverge from Pillar II of the UN Guiding Principles on Business and Human Rights, it’s use in the context of an LBI, which aims to hold business enterprises accountable and liable for human rights abuses, is not appropriate. The LBI places obligations on States to regulate corporate behaviour with a strong liability framework. The use of the term “responsibility” in this context is completely incongruent with aims and objectives of the LBI.
Recognizing the distinctive and disproportionate impact of business-related human rights abuses on women and girls, children, indigenous peoples, persons with disabilities, workers, people of African descent, older persons, migrants and refugees, and other persons in vulnerable situation, as well as the need for a business and human rights perspective that takes into account specific circumstances and vulnerabilities of different rights-holders; and the structural obstacles for obtaining remedies for these persons;

With multiple global health, social and economic crises exposing the fragility of global supply chains and business models built on non-standard forms of employment and informality, the LBI represents a unique opportunity to end the impunity for corporate human rights abuses. As such, we believe it is important to highlight the clear, distinctive and disproportionate impact of business-related human rights abuses on workers.

PP19

(PP19) Desiring to clarify and facilitate effective implementation of the obligations of States regarding business-related human rights abuses and the responsibilities obligations of business enterprises in that regard;

Please see commentary on PP12 above.
ARTICLE 1.1

“Victim” any person or group of persons who suffered a human rights abuse or violation in the context of business activities, irrespective of the nationality or domicile of the victim. The term “victim” may also include the immediate family members or dependents of the direct victim, and persons who have suffered harm in intervening to assist victims in distress or to prevent victimization. A person shall be considered a victim regardless of whether the perpetrator of the human rights abuse is identified, apprehended, prosecuted, or convicted.

In international human rights law, the term “abuse” generally refers to conduct by any actor, private or otherwise, whereas “violations” are reserved for conduct attributable to States. In order to keep a clear distinction between state and non-state conduct, we suggest an amendment to reflect both human rights “abuses” and “violations”.

A comprehensive definition of victim should include persons who have suffered harm in intervening to assist victims in distress or to prevent victimization so that human rights defenders, including trade unionists, are implicitly covered by the term. In line with best practice under international human rights law, we recommend the categorical inclusion of immediate family members or dependents of the direct victim in the definition of victim.

ARTICLE 1.2

“Adverse human rights impact” shall mean a harm which corresponds to a reduction in or removal of a person’s ability to enjoy an internationally recognized human right as a result of a human rights abuse or violation.

We note that the concept of “adverse human rights impact” has been defined for the first time in line with amendments to the definition of “human rights abuse” and “human rights due diligence”. While we appreciate the use of this term in the context of the human rights due diligence framework articulated in the UN Guiding Principles on Business and Human Rights, the LBI should be referring to human rights abuses and violations, which form the basis of the instrument. We recommend the deletion of this definition and that the process of human rights diligence be dealt with in detail in Article 6. Even then, if this definition is limited to helping define “human rights due diligence”, we could only accept it with our suggested amendment above.

ARTICLE 1.3

“Human rights abuse or violation” shall mean any direct or indirect harm in the context of business activities, through acts or omissions, against any person or group of persons, that impedes the full enjoyment of internationally recognized human rights and fundamental freedoms, including the right to a safe, clean, healthy and sustainable environment take place in connection with business activities and that results in an adverse human rights
We would recommend reverting back to the definition in the third revised draft with the above amendment. Please see commentary on Article 1.1 regarding the reference to “violation”.

We also believe that it is essential for this definition to recognise abuses and violations of the human right to a safe, clean, healthy and sustainable environment.

**ARTICLE 1.5**

*“Business activities of a transnational character” means any business activity described in Article 1.3 above, when:*

a. It is undertaken in more than one jurisdiction or State; or

b. It is undertaken in one State but a significant part of its preparation, planning, direction, control, design, processing, manufacturing, storage or distribution, takes place through any business relationship in another State or jurisdiction; or

c. It is undertaken in one State but has a significant effect in another State or jurisdiction.

We strongly recommend the deletion of the undefined and vague qualifying term significant which could lead to unnecessary debates about what constitutes a business activity of a transnational character.

**ARTICLE 1.9**

*“Remedy” shall mean the restoration of a victim of a human rights abuse to the position they would have been had the abuse not occurred, or as nearly as is possible in the circumstances. An “effective remedy” involves reparations that are adequate, effective, and prompt; are gender and age responsive; and may draw from a range of forms of remedy such as restitution, compensation, *reinstatement in employment*, rehabilitation, satisfaction, such as cessation of abuse, apologies, and sanctions), as well as and guarantees of non-repetition.*

Please see commentary to Article 4.2(c) below.

**ARTICLE 2 (b)**

*(b) To clarify and ensure respect and fulfillment of the human rights *responsibilities obligations* of business enterprises;*

Please see commentary on PP12 above.
ARTICLE 3.3 [RE-ORDER]

This (Legally Binding Instrument) shall cover all internationally recognized human rights and fundamental freedoms binding on which the State Parties of this (Legally Binding Instrument) have ratified, including:

a. those recognized in the Universal Declaration of Human Rights;

b. all core international human rights treaties;

c. ILO Conventions;
    as well as those to which they are otherwise bound, including,

d. the ILO Declaration on Fundamental Principles and Rights at Work;

e. international environmental law;

f. international humanitarian law; and

g. customary international law

We strongly recommend a re-ordering of Article 3.3 to cover more clearly the internationally recognized human rights applicable to States by virtue of ratification and those to which they are otherwise bound.

ARTICLE 4.2 (c)

c. be guaranteed the right to fair, adequate, effective, prompt, non-discriminatory, appropriate and gender-sensitive access to justice, individual or collective reparation and effective remedy in accordance with this (Legally Binding Instrument) and international law, such as restitution, compensation, reinstatement in employment, apology, rehabilitation, reparation, satisfaction, guarantees of non-repetition, injunction, environmental remediation, and ecological restoration;

We believe that this non-exhaustive list of remedies should include apologies (both public and private) and, most importantly, reinstatement in employment. A significant challenge for workers exercising their right to freedom of association is the fear of discriminatory dismissal. In such cases, the remedy must be reinstatement given that compensation alone may continue to contribute to an atmosphere of intimidation in the workplace.
ARTICLE 4.2 (f)

(f) be guaranteed access to information, including information relating to the transnational business activities of enterprises alleged to have engaged in human rights abuse, such as [their] ownership, control and business relationships, provided in relevant languages and accessible formats to adults and children alike, including those with disabilities, held by business enterprises or relevant State agencies, and legal aid relevant to pursue effective remedy; and

We welcome the amendments to Article 4.2 (f) on access to information. However, we feel that it can be further strengthened by specifying the type of information that is most needed in practice to pursue an effective remedy.

NEW ARTICLE 5.3 [BASED ON PROPOSAL FROM THE STATE OF PALESTINE]

State Parties shall take adequate and effective measures including, but are not limited to, legislative provisions that prohibit interference, including through use of public or private security forces, with the activities of any persons who seek to exercise their rights to strike and peacefully protest against and denounce abuses and violations linked to corporate activity; refraining from restrictive laws and establishing specific measures to protect against any form of criminalization and obstruction to their work.

We fully support the above proposal made by the State of Palestine at the previous Session. We would also list the prohibition of interference in the exercise of the right to strike protected under international law.

NEW ARTICLE 6.1 BIS [PROPOSAL FROM CAMEROON]

In order to comply with their obligations to respect, protect and fulfill the rights of this instrument, States parties shall adapt their administrative law to prevent the authorization of business activities of transnational character that would not meet the standards of human rights protection provided in this Legally Binding Instrument. States shall adopt higher standards in their own business relationships, in particular but not limited to public contracts, public-private partnership services and not enter into any type of collaboration with transnational corporations and other business enterprises of transnational character condemned for human rights violations.

We support the above proposal made by Cameroon at the previous Session focusing on the role of the State as an economic actor.
ARTICLE 6.2 (c)

ensure the practice of human rights due diligence by business enterprises, including enhanced human rights due diligence measures to prevent human rights abuses in situations of instability and national stress or in occupied or conflict-affected areas: and

This formulation would meet the recommendations of the UN Working Group on Business and Human Rights’ guidance on human rights due diligence in conflict situations.

ARTICLE 6.2 (d)

(d) promote ensure the active and meaningful participation of individuals and groups, such as trade unions, civil society, non-governmental organizations, indigenous peoples, and community-based organizations, in the development and implementation of laws, policies and other measures to prevent the involvement of business enterprises in human rights abuse.

This essential provision can be strengthened by not making the active and meaningful participation of stakeholders a promotional activity only.

ARTICLE 6.2 d

Provide capacity support and adopt other measures to facilitate the practice of human rights due diligence by micro, small and medium sized business enterprises.

Capacity support will be critical for micro, small and medium-sized enterprises to conduct effective human rights due diligence.

ARTICLE 6.3

State Parties shall ensure that competent authorities relevant to the implementation of Article 6.2 have the necessary independence, in accordance with its legal system, to enable such authorities to carry out their functions effectively and free from any undue influence.

We believe that qualifying language referring to a State’s legal system is unnecessary in the context of an obligation to ensure independence of competent authorities.
NEW ARTICLE 6.4 A BIS [BASED ON PROPOSAL FROM ARGENTINA AND THE STATE OF PALESTINE]

Ensuring freedom of association, the right to strike, collective bargaining, non-discrimination and gender equality - elimination of workplace violence and harassment in the world of work, occupational safety and health, prohibition of child and forced labour, and social protection, as specific issues.

We support the above proposal made by Argentina and the State of Palestine at the previous Session focusing on fundamental principles and rights at work and social protection as specific issues warranting attention.

ARTICLE 6.5

Each Party shall take necessary measures to ensure that business enterprises take appropriate steps to prevent human rights abuse by third parties throughout their business activities and relationships where the enterprise controls, manages or supervises the third-party, including through the imposition of a legal duty to prevent such abuse in appropriate cases.

The original formulation may be open to a narrow interpretation. We suggest the above amendment to better reflect the obligation of business enterprises to prevent human rights abuses, which must extend to all their business activities and relationships.

NEW ARTICLE 6.5

States parties shall designate a competent authority with allocated responsibilities and adequate financial and human resources to monitor the effectiveness of the due diligence measures undertaken by business enterprises as well as their effective implementation.

We believe that robust monitoring mechanisms are necessary at the national level to ensure that measures adopted by enterprises to discharge their human rights due diligence obligations are effective in preventing abuses from occurring and not merely cosmetic or formalistic. Therefore, governments should designate a well-resourced competent authority to oversee the implementation of due diligence obligations.
NEW ARTICLE 6.7 [RE-INSERT FROM THIRD REVISED DRAFT]

Without prejudice to the provisions on criminal, civil and administrative liability under Article 8, State Parties shall provide for adequate penalties, including appropriate corrective action where suitable, for business enterprises failing to comply with provisions of Articles 6.4.

While Article 6.6 in the updated draft calls on State Parties to periodically evaluate the legislative, regulatory, and other measures referred to in Article 6.2 with a view to determining their adequacy for meeting the aims set out in the Article, there is no explicit reference to penalties or sanctions. We therefore recommend that Article 6.7 in the third revised draft is re-inserted verbatim.

NEW ARTICLE 6.8 [RE-INSERT FROM THIRD REVISED DRAFT]

In setting and implementing their public policies and legislation with respect to the implementation of this (Legally Binding Instrument), States Parties shall act in a transparent manner and protect these policies from the influence of commercial and other vested interests of business enterprises, including those conducting business activities of transnational character.

We believe that it is critical that the LBI includes an express provision preventing corporate interference in policy making that may undermine the ultimate aims and objectives of the instrument. We draw inspiration for this proposal from Article 5.3 of the Framework Convention on Tobacco Control (FCTC) and its accompanying guidelines, which provide an international legal precedent for safeguards against corporate capture.

ARTICLE 7.2 (b)

progressively reduce the legal, practical, and other relevant obstacles, including the doctrine of forum non conveniens, that, individually or in combination, hinder the ability of a victim from accessing such State agencies for the purposes of seeking an effective remedy; and

In order to meet the ambition of the LBI, States should reduce obstacles for victims seeking an effective remedy as soon as practicably possible without being afforded an arbitrary timeline for action. Further, it should be made clear that courts should not decline jurisdiction on the basis of forum non conveniens. This is a critical provision, which will prove extremely valuable in expanding access to justice for rights-holders. Transnational companies should no longer be able to raise this doctrine to evade accountability, which in many cases has constituted a serious obstacle for victim of human rights abuse.
ARTICLE 7.4 (a)

(a) reducing the financial burden on victims associated with seeking a remedy, for instance through the provision of financial assistance throughout the legal process, waiving court fees in appropriate cases, or granting exceptions to claimants in civil litigation from obligations to pay the costs of other parties at the conclusion of proceedings in recognition of the public interest involved;

The LBI should specify the types of measures that States will be required to take in order to reduce the financial burden on victims associated with seeking a remedy.

ARTICLE 7.4 (d)

(d) enacting or amending laws and adopting measures to facilitate the production of evidence, when appropriate and as applicable, such as including the reversal of the burden of proof and the dynamic burden of proof to fulfil the victim’s right to an effective remedy.

We believe that the above formulation strengthens the Article in light of the intended purpose of the provision.

ARTICLE 7.4 (c)

(c) to enable relevant State agencies to monitor a company’s implementation of remedies in cases of human rights abuse and to take appropriate steps to ensure rectify any non-compliance.

Editorial change
ARTICLE 8.1

Each State Party shall adopt such measures as may be necessary to establish a comprehensive and adequate system of legal liability, including joint and several liability, of legal and natural persons conducting business activities, within their territory, jurisdiction, or otherwise under their control, for human rights abuses that may arise from their business activities or relationships, including those of transnational character.

The LBI should explicitly recognise the joint and several liability doctrine as an effective measure to apportion liability in view of the prevailing corporate structures that govern global supply chains.

ARTICLE 8.2

Subject to the legal principles of the State Party, the liability of legal and natural persons referred to in this Article shall be criminal, civil, or administrative, as appropriate to the circumstances. Each State Party shall ensure, consistent with its domestic legal and administrative systems, that the type of liability established under this article shall be:

We believe that qualifying language referring to a State’s legal principles is unnecessary and redundant in the context of this Article.

ARTICLE 8.3

States Parties shall ensure that their domestic law provides for the liability of business enterprises for human rights abuses caused or contributed to by another legal or natural person, where a business enterprise:

a. that controls, manages, supervises or otherwise assumes responsibility of another legal or natural person with whom they have a business relationship fails to prevent that person’s activity which caused or contributed to human rights abuse; or
b. effectively controls another legal or natural person that caused or contributed to human rights abuse; or

c. should have reasonably foreseen the risk of human rights abuses in its business activities or business relationships but failed to prevent the human rights abuse.

We seek an explanation about the current formulation of Article 8.3, which now refers to conspiring, aiding, abetting, facilitating, and counselling the commission of human rights abuse. In the interests of clarity and given the critical importance of this Article, we recommend the above proposal to replace the current text. Breaking down Article 8.3 in this way helps clarify the type of liability applicable to the three listed scenarios, namely negligence, strict liability, and strict liability for risk.
NEW ARTICLE 8.6 [BASED ON ARTICLE 8.7 IN THE THIRD REVISED DRAFT]

The burden of proof rests with the business enterprise to prove that it has taken all reasonable steps to conduct human rights due diligence as laid down in Articles 6.4. Human rights due diligence shall not necessarily absolve a legal or natural person conducting business activities from liability for causing or contributing to human rights abuses or failing to prevent such abuses by a natural or legal person as laid down in Article 8.

It is our firm view that while the requirement to implement human rights due diligence is critical in ensuring that companies take a proactive and hands-on approach to ensure human rights are fully complied with in the supply chain or the corporate group, it cannot become a substitute for ensuring a right to remedy for victims of corporate human rights abuse. We suggest the re-insertion of Article 8.7 in the third revised draft with our amendments.

ARTICLE 9.1

9.1. State Parties shall take such measures as may be necessary to establish its jurisdiction in respect of human rights abuse in cases where:

(a) the human rights abuse took place, in whole or in part, within the territory or jurisdiction of that State Party;

(b) the relevant harm was sustained, in whole or in part, within the territory or jurisdiction of that State Party;

(c) the human rights abuse was carried out by either
   i. a legal person domiciled in the territory or jurisdiction of that State Party; or
   ii. a natural person who is a national of, or who has his or her habitual residence in the territory or jurisdiction of, that State Party; and or

(d) a victim seeking remedy through civil law proceedings is a national of, or has his or her habitual residence in the territory or jurisdiction of, that State Party.

Requiring a victim seeking a remedy to be a national or have their habitual residence in the same territory of the legal person alleged to have carried out the abuse will preclude litigation in the home State of most transnational corporations. Our proposal aims to correct this position, which we believe reflects the spirit of the LBI.
NEW ARTICLE 9.2 [BASED ON ARTICLE 9.3 IN THE THIRD REVISED DRAFT]

State Parties shall ensure that courts vested with jurisdiction on the basis of Article 9.1 shall not impose any legal obstacles, including the doctrine of forum non conveniens, to a victim seeking a remedy under Article 7 of this (legally binding instrument).

Please see commentary on Article 7.2 (b) above.

NEW ARTICLE 9.5

Where business enterprises are not domiciled within their jurisdiction, States should empower their domestic courts to exercise jurisdiction over claims concerning human rights abuses against such a business enterprise, if no other effective forum guaranteeing a fair trial is available (forum necessitatis) and there is a sufficiently close connection to the member State concerned.

In line with Article 9.5 of the third revised draft, it will be essential to enshrine the principle of forum necessitatis to ensure that a national court has jurisdiction over non-domiciled entities if no other effective forum guaranteeing a fair trial is available and there is a sufficiently close connection to the forum.

ARTICLE 10.2 (a)

In legal proceedings regarding human rights abuse not falling within the scope of Article 10.1, each State Party shall adopt such measures as may be necessary to ensure that limitation periods for such proceedings:

(a) are of a duration that is appropriate in light of the gravity of the human rights abuse and in cases where abuses occurred in another State party or when the harm may be identifiable only after an extended period of time;

We propose the above amendment to recognise the fact that in some cases harm may not be identifiable or capable of being discussed for a long time. This is particularly important when it comes to discrimination or industrial disease cases.
NEW ARTICLE 15.5

States Parties recognise the competence of the Committee to receive and consider communications and complaints from individuals, communities, or their representatives concerning human rights abuses by business enterprises contrary to the provisions of the LBI and violations by a State Party of any of the rights set forth in the LBI.

OR

State Parties recognise the competence of the Committee to receive and consider communications from or on behalf of individuals or groups of individuals or their representatives who claim to be victims of a violation by a State Party of the provisions of the LBI or victims of human rights abuses by business enterprises contrary to the provisions of the LBI.

This proposal reflects our consistent demand that the functions and powers of the Committee should be strengthened by, among other things, having the ability to hear individual complaints.