



**Open-ended Inter-Governmental Working Group on transnational corporations
and other business enterprises with respect to human rights**

Oral Statement on the Scope of the Legally Binding Instrument: TNCs and other Business Enterprises

Thank you Madam Chairperson.

FIDH, a member of the Treaty Alliance, firmly believes that a legally binding instrument must address the human rights violations arising from the activities of all business enterprises. The treaty must address the transboundary nature of corporate-related human rights abuses, while addressing ways to ensure accountability for parent companies, subsidiaries, outsourcing firms, contractors (whether corporate or government contractors) and entities in the supply chain.

By way of examples, FIDH's experience in documenting and supporting affected communities in all regions of the world speaks to the necessity of addressing all business enterprises, in coherence with current practice and understandings within the United Nations.

Situations we investigate on are often complex and involving both domestic and transnational corporations. In Brazil, FIDH investigated a case involving the direct and indirect responsibility of a transnational corporation and the direct responsibility of 4 domestic companies. In the Occupied Palestinian Territory, FIDH looked at business relationships between a French transnational corporation and an Israeli telecommunications company. In Ecuador, we documented abuses linked to the operations of a Canadian junior company subsequently acquired by a Chinese consortium but which remains registered in Canada. In Cambodia, we investigated human rights abuses involving a joint-venture between a domestic company and a holding company based in Luxembourg with shares in France and Belgium. In Bangladesh, China and India, we document violations of labour rights in global supply chains.

This serves to highlight how - in real life, all businesses, including State-owned enterprises and local businesses, are susceptible to having a negative impact on human rights and, as a result of governance gaps, deficiencies and inadequate enforcement of national laws, impunity can prevail. From the perspective of those affected, the formal character of a business is irrelevant; rather victims focus on the need to access to effective remedy and reparation for the harms they have suffered.

The treaty should centralize the needs of persons and communities adversely affected by business activity, addressing all business enterprises that can potentially cause or contribute to human rights abuses. At the same time, it should address the transboundary nature of corporate-related human rights abuses: any instrument should provide for measures that specifically address the particular challenges posed by transnational corporations, providing the necessary protection to fully respond to the human rights abuses those affected face.

To achieve comprehensive corporate accountability, we therefore call on all States to address this issue in good-faith and through constructive proposals, looking at challenges both at home and abroad.

Thank you.