

## PRESS RELEASE

**EMBARGOED: 1 November 2016, 00:01 hours GMT**

# Corporate human rights abuse: remedy remains rare for people harmed by UK company operations abroad

- **New research highlights shortcomings of voluntary initiatives and non-judicial redress mechanisms, including the Ethical Trading Initiative and government-run UK National Contact Point**
- **Findings come shortly after Theresa May's pledge to crack down on irresponsible business**

[A five year research project](#) conducted by a group of Australian universities and the University of Essex, and supported by CORE, the UK NGO coalition on corporate accountability has found that current systems are failing to provide remedy to victims of UK corporate human rights abuse abroad. The findings come shortly after Prime Minister Theresa May promised to tackle irresponsible business practices.

The research analysed how so-called non-judicial grievance mechanisms responded to alleged human rights abuses abroad associated with UK company operations and supply chains. The research looked in detail at two UK examples, the Ethical Trading Initiative (ETI) and the UK National Contact Point (NCP) for the OECD Guidelines.

ETI is an alliance of companies, trade unions and NGOs that focuses on improving working conditions in company supply chains. Member companies include high street names such as Asda, Marks & Spencer, Mothercare, Sainsbury's, Tesco, Primark and Zara.

The research into ETI found:

- ETI did not adequately address ongoing violations of human rights in UK company supply chains. The study looked at bonded and forced labour among women working in the garment and textile sector in Tamil Nadu, which was first raised as an issue within the ETI in 2010. There has been significant internal division between ETI member companies and ETI civil society groups regarding how to respond to this issue and the ETI's ultimate response has been based more on what the companies as a whole are willing to do than what civil society groups believe would be most effective. This has resulted in a programme that has so far prioritised providing bonded mill workers and their families with information about their health and their rights, rather than using the ETI companies' supply chain leverage to directly push

mill owners to respect core ETI principles such as freedom of movement, living wages and freedom of association.

- The primary motivation for companies to join ETI is to protect and enhance their reputations with consumers and investors. In the absence of a significant reputational threat, it can be in the best interests of ETI companies to delay agreement on how to respond to a human rights complaint and to water down the final agreement so it falls well short of full respect for the rights in the ETI Base Code.
- ETI has had a more positive impact when it contributed to successful advocacy for legislation to tackle modern slavery. Where sustained media coverage generates a major threat to its member companies' reputations, such as after the Rana Plaza tragedy, the ETI is well placed to play a role in facilitating initiatives to address human rights issues.

One of the authors of the ETI report, Dr. Tim Connor of the University of Newcastle (Australia) commented, "If properly implemented, the commitments in the ETI's current five year plan would significantly enhance its ability to contribute to human rights redress. Unfortunately some of the commitments, such as improving companies' buying practices have been on the ETI's agenda for a long time and ETI civil society members report having seen little real progress. This highlights one of the major limitations of voluntary initiatives such as the ETI; it is incredibly difficult to persuade companies to engage in human rights initiatives that might reduce their profit."

The UK NCP is a government-run complaints body based in the Department for International Trade that assesses alleged breaches of the OECD guidelines for multinational enterprises, a set of non-binding standards for responsible business conduct.

NGO Survival International lodged a complaint in 2008 with the UK NCP against Vedanta Resources Plc, regarding Vedanta's proposal to establish a mine on land that is the only traditional home to Indigenous tribal groups the Dongria Kondh and the Kutia Kondh in Odisha, Eastern India. Findings from the research into the UK NCP include:

- The NCP's requirement on complainants to substantiate that a violation may have taken place is a high barrier to accessibility. The Survival International case was based on eighteen months of evidence collection, a significant investment of resources that is not always available to a community.
- This high bar for evidence from complainants is not matched by high standards for information required of companies.
- The NCP finding against Vedanta led to divestment by a number of shareholders and international reputational damage for the company. While this was useful to the

ongoing campaign against Vedanta's proposals, it did not constitute a remedy for the affected community.

CORE's Director Marilyn Croser said, "The Prime Minister has repeatedly expressed her determination to tackle irresponsible corporate behaviour. This research is a reminder that many of the worst abuses happen in UK companies' international operations and supply chains. While there is a role for voluntary codes of conduct and non-judicial mechanisms, they are insufficient to change company practices or to provide access to remedy. The UK government must show it means business on corporate malpractice by introducing mandatory human rights due diligence for large companies and bringing forward reforms to ensure access to remedy for victims through the courts."

## **ENDS**

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## **Notes to editors**

1. The Non-Judicial Human Rights Redress Mechanisms Project is an academic research collaboration between the University of Melbourne, Monash University, the University of Newcastle, RMIT University, Deakin University and the University of Essex. The project was funded by the Australian Research Council with support provided by a number of non-government organisations, including CORE Coalition UK and HomeWorkers Worldwide. Principal researchers on the team include Dr Samantha Balaton-Chrimes, Dr Tim Connor, Dr Annie Delaney, Prof Fiona Haines, Dr Kate Macdonald, Dr Shelley Marshall, May Miller-Dawkins and Sarah Rennie. The project was coordinated by Dr Kate Macdonald and Dr Shelley Marshall. All project reports are available at <http://corporateaccountabilityresearch.net/njm-project-publications/#njr-reports>
2. The CORE Coalition is the UK civil society coalition on corporate accountability. CORE aims to advance the protection of human rights and the environment with regard to the global operations of UK companies, by promoting a stronger regulatory framework, higher standards of conduct, compliance with the law, and improved access to remedy for those harmed by the activities of UK companies.
3. Research interviews for the ETI report were conducted between 2011 and 2015. Between May and October 2016, researchers engaged with research participants in India, the UK and other countries, to check facts, seek permission to quote or cite comments made in interviews, seek feedback on the draft report and clarify any comments made in relation to the quotations and the draft. The ETI did not send feedback on the draft report within the 31 day timeframe that was provided in order to meet the publication deadline. Feedback from ETI was sent on 25 October, after the report had been finalised.