

C7 Statement Requesting the Establishment of Mandatory Human Rights and Environmental Due Diligence Legislation and Other Legal Measures to Ensure Human Rights and Environmental Due Diligence

16 March 2023

Dear G7 Leaders,

We write to you on behalf of an international collection of NGOs in recognition of the strong influence of G7 countries in the world, and in advance of the G7 Summit to be held in Hiroshima in May 2023, to request and call for all G7 countries' administrations to introduce mandatory human rights and environmental due diligence legislation (hereinafter mHREDD) and other legal measures to ensure meaningful corporate action to prevent harm in value chains. We demand that these measures are designed and implemented without political bias and with the aim of protecting both the human rights of individual people as well as ensuring protection of the environment.

Serious human rights violations, such as slavery and exploitation in the form of forced labour, child labour, oppression through surveillance, and serious discrimination, as well as environmental damage such as deforestation, pollution, loss of biodiversity, etc., are widespread and occur in numerous value chains distributed throughout the world, causing serious impacts on the global economy. The need for public and private companies to address environmental impacts and human rights infringements in their value chains, to take responsible actions to stop these impacts, to prevent the risk of these infringements from reoccurring, and to enable meaningful access to remedy has become increasingly urgent and must no longer be ignored.

In recognition of both the aforementioned issues and the Guiding Principles on Business and Human Rights adopted by the UN Human Rights Council in 2011, some G7 countries have introduced laws and measures to ensure human rights and environmental due diligence. However, other G7 countries have failed to establish these laws and measures, or fail to uphold the standard established by the OECD Due Diligence Guidance for Responsible Business Conduct. We urge all G7 governments to promptly take actions toward the introduction of detailed laws and measures, or the supplementation of existing laws and measures, that require companies to ensure their business activities and value chains do not adversely impact human rights.

A failure to introduce these laws and measures risks sustaining a fragmented approach to the regulation of global value chains, thus providing an unlevel playing field for global businesses. Evidence shows that implementation of mHREDD by businesses remains uneven between and within countries: while some companies demonstrate leadership, 78% out of the 1,000 most influential companies globally, and 65% of companies headquartered in G7 countries, have still not taken the first steps of due diligence. In order to create a level playing field, it is therefore essential for all G7 countries to acknowledge that voluntary efforts are insufficient and to promote clarity for corporations operating at a global level by establishing mandatory human rights.

As global leaders, the bold stance of G7 countries on the issue of mHREDD can establish a much-needed global standard from which other countries around the world can follow suit. Such laws should establish liability provisions for harm across entire value chains, mandate meaningful stakeholder engagement at all stages of due diligence, and ensure companies address the root causes of harm, including adverse purchasing practices and restrictions on freedom of association.

Specifically, we request introduction of the following:

- mandatory Human Rights and Environmental Due Diligence legislation based on the principles outlined in the <u>UN Guiding Principles on Business and Human Rights</u>, the <u>OECD Due Diligence Guidance for Responsible Business Conduct</u>, the ILO Core Conventions, and the International Bill of Human Rights
- other legal measures to ensure that business activities and value chains do not adversely impact human rights and the environment, such as import control on products linked to specific harms such as forced labour, child labour, or deforestation as well as measures on export control, government procurement requirements, sanctions, etc.
- that these measures be designed and implemented without political bias and with the objective of serving to meet the needs of individual people for human rights remedies and environmental remediation.

To accelerate progress and support international coordination in the adoption of legislation, policies, trade agreements, and other measures that ensure G7 value chains do not adversely impact human rights and the environment, and to provide specific technical advice to G7 members, we request for the creation of a standing G7 Working Group on Human Rights, Trade and Labour which builds upon existing bilateral dialogues.

The G7 Summit in Hiroshima is an extremely important opportunity for all G7 governments to demonstrate their respect for human rights and the environment in a tangible, lasting way. We appreciate and laud the efforts of all G7 governments in this area to date, and we urge all G7 governments to seize this opportunity to take prompt and effective action to demonstrate their respect for human rights and the environment on a global scale and to act as world leaders in the area of business and human rights and the environment initiatives.

We thank you for your time, consideration, and support.

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