

Mazars and Shift Proposed Reporting/Assurance Standards for the UN Guiding Principles on Business and Human Rights

Comments, observations and suggestions by: ASEAN Services Employees' Trade Union Council (ASETUC)

We have long held the belief that corporations should have a soul. Business cannot go into business without fulfilling its responsibility to society and accord labour and the host community the respect that they deserve.

In this context, we see the present global economic crisis as a direct outcome of the failure of business, global business in particular, to fulfill this responsibility. This is why everyone today is blaming greed, corporate greed, as being at the roots of the global financial bubbles.

Clearly, we need to bring back the social and labour mission of business. We need to shape a new global economic order with clear social and labour rules. We need to put people first into the globalization process and in every consideration.

We also need to deepen the meaning of CSR or as is now being reclassified "Business and Human Rights". As a trade unionist, our critical concern is that very few CSR policies or statements have commitments to labour related issues. If there are, it avoids commitment to critical issues such as respect for workers' rights to join trade unions and collective bargaining. To the trade union movement, this is essential to enable Corporations to discharge one of their basic social responsibilities or respect human rights, which is to ensure that their employees are able to enjoy an ILO defined decent standard of work and employment.

Our real worry is whether their CSR practice or respect for human rights is genuine, and not for show or as a mere marketing ploy. And the test of corporate sincerity or the alignment of Business to Human Rights is the commitment of the corporations to their own workers, to the community around them and their customers, which enabled them to derive the revenue and generate the profit.

We welcome the "Protect, Respect, Remedy" framework put forward by the SRSG and adopted by the Council in 2008. It broadly reinforces core human rights principles and generally surpasses the "voluntary" PR-style Codes of Conduct common in the garments and leather industries, which are exposed to be hollow as shown in the case of Bangladesh and Cambodia. From the perspective of the trade unions, we would like to think that the PRR are good stepping stones; however, they should be deepened, concretized and so on. We note with the disappointment that some important issues that merit attention are not adequately reflected or addressed.

For example, it could be more specific about the rights of workers and the roles of trade unions to facilitate and enforce such rights for workers in all workplaces and for all workers. We need the framework and the guiding principles to set clear social and labour rules and universally enforced. Equally essential, the framework must enable and facilitate the participation of trade unions in developing the Business and Human Rights principles and monitoring the compliances process.

To encourage Company to respect and implement human rights, we need another R - Recognition for companies that truly respect human rights in every sense. We may also need a S - to Shame companies that persistent and worst still deliberately violate human rights, like those companies that impose conditionality on government to deprive workers off their rights to form or join trade unions in relations to their investments or businesses.

In this connection, we are encouraged by the fact that the SRSG, in his final report has recognized that supplementary measures such as a multilateral legal instrument on business and human rights may be required to provide greater clarity and increase legal protections. We hope the deficits will be rectified in future review.

We welcome the discussions paper prepared by Mazars and Shift on the Proposed Reporting/Assurance Standards for the UN "PRR Framework" on Business and Human Rights and appreciate the opportunity to submit our comments.

At this stage, we want to submit the following general comments/observations and suggestions:

Reporting and Assurance of the Report

Being a business and human rights report, we believe that it must include analysis as to whether the Company observes a universal CSR, that is, if they comply with the all the internationally accepted social, labour and environmental standards as reflected in the ILO Decent Work Program.

For effective and credible reporting, there need to be clear benchmarks to define or determine what constitute good business practices in relations to human rights. For example, in regard to respect for fundamental rights as set out in the ILO's Declaration on Fundamental Principles and Rights at Work, the basic bench marks obviously must be - whether the Company, by it employment policies, work organization, job designs and business strategy cause, prevent or deprived workers from exercising their rights as provided in the ILO Core conventions such as the right to form or join trade union, collective bargaining and decent work.

For clarity, the reports must state clearly the policies and practices that facilitated respect for such rights and how it is available or implemented in practices. This must be substantiated by relevant data and statements by those affected.

For the reports to be comprehensive there must be avenue or procedure to receive information relating to specific-instances and conduct country visits to seek and receive information concerning alleged business-related human rights abuses. It will also facilitate the collection of best practices, suggestions for improvement in policies weaknesses and inconsistencies and measures to prevent business related human rights abuses or even to promote and protect human rights.

The report can only be complete if it includes assessment of the implementation of any recommended follow measures including remedy for victims of business related human rights abuses.

With the view to identify relevant issues, informing future action and ensuring that the perspectives and experiences of company employees, community, customers and even victims of business related human rights abuse are considered. There must be periodic consultative review with stakeholders including trade unions. Such periodic consultative reviews will serve as a critical component of assurance of the report.

While welcoming the appointment of Assurance Providers, we must insist that there are comprehensive criteria to ensure the credibility and independence of the Assurance Providers. This must be supplemented by a comprehensive and transparent process to appoint and decide on the remuneration for the Assurance Providers.

The Assurance of the Report process must be subjected to an agreed guidelines and term of reference for the coverage of the Assurance Report. Equally important, the Assurance Report must be subject to review by a panel of independent reviewers that include representatives of the various stakeholders including the trade unions.

Concluding Remarks

We commend Mazars and Shift for their initiatives and look forward to working with them to develop the reporting and assurance standards that will indeed give credibility to the UN Guiding Principles on Business and Human Rights and more importantly restore humanity and society respect and trust for Business.

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