



## Remarks at UNCTAD High Level IIA Conference

**Andrea Shemberg**

**13 November 2019, Geneva**

**IISD Breakout Session:**

**Multilateral Processes and their contribution to Phases 1 and 2 of SD-oriented IIA reforms “Ensuring responsible investment”**

Check against delivery

**Good morning. Thank you Chairs and thank you UNCTAD for having invited me as Chair of the Global Business Initiative to speak this morning on responsible business and investment policy reform.**

**With the few minutes I have, I would like to tell you a little bit about GBI and then make a few observations in my personal capacity based on my experience working with GBI over the past nine years.**

The Global Business Initiative on Human Rights is a global, cross-sectoral, business-led organisation focused on advancing corporate respect for human rights around the world.

GBI is comprised of over 20 multinational corporations operating in diverse industries and regions that can positively or negatively affect the lives of billions of workers, customers and communities globally.

We have reach. With a combined revenue of \$1.4 trillion, together our members have over 2.5 million direct employees, over 2 million first tier suppliers, 24,000 offices/sites, activities across 50 industries, doing business in 190 countries, subsidiaries and affiliates and billions of consumers and users.

Some of our members include ABB, GE, Novo Nordisk, The Coca-Cola Company, Total, Vale, and Volkswagen.

Not only do GBI members come together several times a year to work on their implementation of the UNGPs, but the members engage in external work through organising, participating in and contributing to business and human rights meetings in different parts of the world. **GBI was the first business organisation to hold a business and human rights workshop in China. We have hosted such meetings with companies in Brazil, South Africa, the UAE, Egypt, Indonesia, Singapore and India.**

### **The Global Business Initiative on Human Rights**

Advancing corporate respect for human rights through peer learning and external engagement

Website: [www.gbihr.org](http://www.gbihr.org)

Business Practice Portal <https://gbihr.org/business-practice-portal>

**Based on my experience with these companies over the past nine years, I would like to offer these three personal observations for the discussion today:**

- 1. Major multinationals now largely accept the reality that human rights-related legislation will continue to grow in many countries.** As you may be aware, France, the UK, Australia and the Netherlands have already enacted some business and human rights legislation. Switzerland, Germany and Finland are considering mandatory human rights due diligence legislation. Our members are having to react to these legislative changes, so business and human rights legislation is now part of their operating environment.
- 2. Companies increasingly accept and act upon their “expanded scope of responsibility” described in the UNGPs.** Companies are looking deep into their supply and value chains to better monitor human rights performance. Some of the top concerns include bonded and forced labour problems stemming from complex labour-provider supply chains. Companies are taking concrete steps such as simplifying their supply chains, stepping in to train and improve capacity of suppliers and engaging with workers right at the bottom of their supply chains. Companies are collaborating with other public and private entities to resolve human rights issues that they do not cause but which plague their operations. Companies are taking steps that no one could have predicted 10 years ago because they realise that human rights risks often also threaten the business in the long-run. Next week I will be in Geneva with GBI companies and one item we will discuss is the human rights risks of global transport and logistics activities. So companies are looking at their core business and how business gets done and trying to come to grips with the inherent human rights risks of those activities.
- 3. One of the most challenging business environments is when the State, instead of facilitating responsible business, creates obstacles for respecting human rights.** Uncooperative State agencies, the lack of effective regulation that encourages and rewards responsible behaviour, and uneven or non-existent enforcement are all problems for companies that are trying to respect rights. The most challenging business environment for companies working to respect human rights is when the State itself either does not help or in fact makes it harder to manage human rights challenges.

**In conclusion**, what business itself expects and accepts as part of its responsibility has shifted. The direction of travel is now squarely on business as more than a simple profit-making entity for its shareholders without regard to its impacts on people. But this shift also has direct implications for States. States are expected to work to ensure responsible business through a smart mix of mandatory and voluntary measures as well as through collaborative and facilitative efforts with companies. As a personal reflection, it appears to me that States have a real opportunity now to harness these trends for investment reform.

## **The Global Business Initiative on Human Rights**

Advancing corporate respect for human rights through peer learning and external engagement

Website: [www.gbihr.org](http://www.gbihr.org)

Business Practice Portal <https://gbihr.org/business-practice-portal>