

## OUTCOME DOCUMENT OF THE THEMATIC DEBATE ON

"Business and Human Rights: Normative Framework and Implementation Guidelines for OIC Countries"  $21^{\mathrm{ST}}$  REGULAR SESSION OF THE OIC-IPHRC ON

## 21 MAY 2023

Jeddah 25th May 2023: The OIC Independent Permanent Human Rights Commission (IPHRC), during its 21st Regular Session, held a thematic debate on the subject of 'Business and Human Rights: Normative Framework and Implementation Guidelines for OIC Countries'. His Excellency Mr. Hissein Brahim Taha Secretary General of the OIC and H.E. Ambassador Muhammad Lawal Sulaiman, OIC-IPHRC Chairperson inaugurated the event. Secretary-General of the International Islamic Figh Academy (IIFA); OIC Permanent Observer to the UN in New York; Mediator (Ombudsman) of the Kingdom of Morocco; Business and Human Rights Specialist from the United Nations Development Programme; Commissioner for Human Rights (Ombudsman) of the Republic of Azerbaijan; Coordinator of the OIC Ambassadorial Group in New York; Secretary General of the Interministerial Delegation for Human Rights of the Kingdom of Morocco; Chairman of the Board of Directors of Rayan Baghdadi Group of Companies (formerly a member of the Public Prosecution Office) in the Kingdom of Saudi Arabia (KSA); Executive Director of the Centre for the promotion of Private Enterprise (CPPE) in Nigeria; Member of the Bureau of Investigation and Public Prosecution in the Kingdom of Saudi Arabia, Vice President of the Jeddah Chamber of Commerce and Industry in KSA, participated as expert panelists. Many OIC Member and Observer States and their National Human Rights Institutions (NHRIs) actively participated and contributed to the discussions.

The Commission welcomed the best practices shared by the OIC Member States to identify linkages between Business and Human Rights (BHR) principles, national and regional legislative progress and challenges of implementation to conduct human rights due diligence. It also focused on challenges in conflict-affected settings and analyzed conditions required for responsible investment and businesses that help build sustainable peace under respective international and regional human rights instruments.

Based on a comprehensive discussion, the Commission adopted the following as the Outcome of this thematic debate:

**Guided** by the Islamic Sharia principles and ethics, which includes 'Amanah', meaning upholding of 'Trust', emphasizing high moral standards, values, and norms of behaviour, permeating all spheres of human life, including personal, professional, and business. These principles prescribe specific guidelines to regulate business operations in accordance with Islamic principles and values that protect human rights, and in accordance with United Nations guidelines, and with the regulations and legislations of Member States.

Affirmed that the concept of human rights is central to the principles of Islamic Sharia. Every Muslim, individually and collectively, is ordained to protect the interests and rights of others as equal partners on earth. The Islamic principles provide guidance on the responsibilities of individuals and institutions towards each other and society as a whole. Islamic models emphasize building and maintaining stable and equitable



societies free from exploitation. Hence, the Islamic perspective on business and human rights emphasizes the importance of social responsibility, ethical behavior, and economic justice.

**Highlighted** the role and growing influence of transnational corporations and private enterprises in the economies of Member States, with far-reaching implications over different economic, social, and environmental sectors. The activities of these businesses have an impact at the global level in so many different ways. Therefore, in order to prevent those implications, transnational corporations should be monitored and regulated by relevant International Trade Institutions.

**Recognized** that, unregulated business operations, without regard to human rights due diligence, has the potential to seriously exacerbate many of the current challenges of climate change and environmental disasters, growing inequalities, rising levels of violence and populism, persistent discrimination and xenophobia, pervasive corruption, conditions of forced labour and discrimination in the workplace, rapid deployment of new technologies without appropriate human rights oversight and impunity for human rights abuses. The COVID-19 pandemic crisis exhibited that most companies had not moved beyond the policy commitment stage and that there is a gap between transnational business aspirations, business ambition, and business action on human rights. This urges transnational and national businesses about importance of engaging, encouraging, educating and regulating businesses to prevent adverse impacts on people and the planet from harmful business practices.

**Identified** that BHR refers to the responsibility of companies to respect and uphold human rights in their operations, supply chains, and relationships with all stakeholders. It includes (a) the potential to impact the range of human rights, labour rights, environmental rights, and social, economic, and cultural rights; (b) compliance with international human rights standards and domestic laws and regulations; (c) grievance mechanisms to address allegations of human rights abuses that arise in the course of their operations. This may involve conducting investigations, providing remedies and reparations, and engaging in dialogue with stakeholders to address any underlying issues.

**Acknowledged** the important preventative role of human rights due diligence provided under the UN Guiding Principles (UNGPs) on BHR¹ in accordance with national legislations of member States, which provides a framework of 'Protect, Respect and Remedy' for respective duties and responsibilities of States, business enterprises, and other stakeholders to prevent and mitigate adverse human rights impacts arising in relation to business activities. These principles are based on: (i) State duty to protect human rights; (ii) Corporate responsibility to respect human rights; and (iii) access to effective remedies for victims of human rights abuses.

**Upheld** that the Charter of the Organization of Islamic Cooperation (OIC)<sup>2</sup> highlights the need to "promote cooperation among Member States to achieve sustained socioeconomic development for effective integration in the global economy, in conformity with the principles of partnership and equality" and also to "preserve and promote all aspects related to environment for present and future generations". Further

<sup>&</sup>lt;sup>1</sup>https://www.ohchr.org/sites/default/files/Documents/Issues/Business/Intro\_Guiding\_PrinciplesBusinessHR.pdf

<sup>&</sup>lt;sup>2</sup> https://www.oic-oci.org/upload/documents/charter/en/oic\_charter\_2018\_en.pdf



upheld that the revised Cairo Declaration of the Organization of Islamic Cooperation on Human Rights<sup>3</sup> highlights that "States should establish mechanisms to guarantee that employers are fair and ethical, and employees are protected against all forms of exploitation and abuse and guaranteed decent work" and also that "Everyone shall have the right to legitimate gains without monopolization, deceit or harm to oneself or to others".<sup>5</sup>

**Further upheld** the principles contained in the UNGPs, the International Labour Organization Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy<sup>6</sup>, UN Global Compact's Ten Principles<sup>7</sup> and Sustainable Development Goals (SDGs) of the 2030 UN Agenda concerning the responsibilities of businesses to comply with the human rights norms and principles. It also emphasized the positive economic benefits that result from respecting the human rights approach in the field of business and trade, in a way that develops production and productivity within business institutions.

**Further reaffirmed** that Member States should a) develop legislations and laws that protect human rights from harms related to business activities and ensure that the public is informed, involved and given access to remedies when rights are violated: (b) create effective communication mechanisms between those affected and the professional bodies in resolving human rights issues in Member States.

**Recognized** increasing awareness among OIC countries regarding the need to mainstream and implement BHR principles and standards in their national plans and legislative frameworks. Also, appreciated that a number of the OIC Member States have made good progress in this regard. Yet much more needs to be done to encourage a multi-stakeholder national and regional discourse and dialogue to strengthen national capacities to formulate policies and design compliance mechanisms.

**Regretted** that the high incidence of conflict, political instability, extreme poverty and deprivation in some parts of the OIC region, the emergence of armed militias that undermine the central authority from performing its developmental role, have led to poor governance, corruption and lack of access to justice for victims of human rights abuses by private businesses. Under such unfortunate circumstances, sometimes businesses become significant contributors to human rights violations. The OIC countries, especially those facing conflict and political fragilities, are vulnerable to heightened risks of business-induced harm due to weak governance and regulatory mechanisms and financial and human resource capacity constraints, which must be addressed through international and regional cooperation and support.

**Expresses** its concern about the role of some transnational companies in extractive industries which lead to exploitation of the contractual relationship, which presents particular challenges for both fragile states and developing nations; which harms the economic potential of those States and has often been cited as a key factor in triggering, escalating or sustaining violent conflicts around the globe.

iphrc.org/ckfinder/userfiles/FINAL%20OHRD%20CLEAN%20%20VERSION%2024 12 2020.pdf

<sup>3</sup> http://oic-

<sup>&</sup>lt;sup>4</sup> Article 14 of the Cairo Declaration of the Organization of Islamic Cooperation on Human Rights

<sup>&</sup>lt;sup>5</sup> Article 15 of the Cairo Declaration of the Organization of Islamic Cooperation on Human Rights

<sup>&</sup>lt;sup>6</sup> https://www.ilo.org/empent/areas/mne-declaration/WCMS 570332/lang--en/index.htm

<sup>&</sup>lt;sup>7</sup> https://unglobalcompact.org/what-is-gc/mission/principles



**Condemned** unethical policies and practices of business actors that support occupation and provide occupying authorities with economic and financial resources that are used to violate human rights and oppress populations under occupation. It includes businesses that operate in Occupied Palestinian Territories (OPT) in collaboration with the Israeli occupying forces. Those business actors which have, directly and indirectly, enabled, facilitated and profited from the construction and growth of the illegal settlements in OPT., raise grave human rights violations concerns of the civil, political, economic, social and cultural rights of the Palestinian people, as enshrined in UN HRC Resolution 31/368.

## **Recommendations:**

## Called upon the United Nations and international community to:

- a. embed and mainstream BHR principles in existing global governance frameworks and UN work at the institutional and inter-governmental level by disseminating information about various relevant tools and research;
- b. align implementation of BHR principles with SDGs, fostering coordination, and ensuring complementarity of efforts;
- c. examine the feasibility of establishing a global multi-stakeholder fund on BHR to support building capacity of stakeholders to address the capacity gaps;
- d. encourage the use of UN human rights mechanisms, including treaty bodies and Universal Periodic Review to assess the implementation of BHR principles to monitor and identify gaps;
- e. encourage Member States to adopt key policy tools to ensure businesses in conflict-affected areas continue to engage in heightened due diligence. This may include linking access to credit, investment approvals, and access to investment finance subject to human rights due diligence and human rights impact assessment studies;
- f. enhance cooperation among all international actors to push transnational companies and all business actors to respect human rights standards, and to stop illegal business activities of all corporations involved in Occupied Palestinian Territories, in accordance with laws and legislations of Member States;
- g. work toward translating international BHR principles into a legally binding instrument.
- h. share best practices and provide technical and capacity-building support wherever required.

**Further called upon the OIC Member States** to undertake coordinated and accelerated actions in accordance with the commitments made in the ratified international treaties, revised OIC Charter, OIC 2<sup>nd</sup> Ten Year Plan of Action, SDGs, and UNGPs to:

- a. gather high-level political support and commitment to devise laws, national action plans, policy frameworks, development plans, and affirmative regulatory measures to prevent and address business-related human rights harms through advocacy, effective oversight, and accountability;
- b. strengthen the legal framework that guarantees the responsibility of businesses to respect human rights, and also provides effective judicial and non-judicial remedial instruments and

<sup>&</sup>lt;sup>8</sup> https://documents-dds-ny.un.org/doc/UNDOC/GEN/G16/082/57/PDF/G1608257.pdf?OpenElement



- mechanisms in place to address the grievances of the victims or to investigate the allegations of human rights abuses and prevent business related human rights violations.
- c. strengthen legal frameworks to ensure business actors are held accountable for human rights abuses. This includes ensuring that laws and regulations are in place to prevent and remedy such abuses and that victims have access to effective remedies;
- d. encourage policy coherence among States' departments to streamline business practices in conformity with their respective international human rights obligations, including labor rights, women and child rights, rights of persons with disabilities, environmental standards and consumer protections, etc.;
- e. create enforcement mechanisms and performance indicators based on specific circumstances and national priorities to benchmark progress in establishing compatibility with international BHR obligations and implementation of regulatory regimes, in accordance with regulations and legislations of Member States;
- f. enhance transparency and reporting by embedding BHR principles into business policies that measure companies' performance. This includes mechanism of reporting in Member States on the efforts of companies that respect human rights and highlighting the progress they have made;
- g. guarantee effective remedies, including judicial, non-judicial, and other redress mechanisms for affected individuals and communities. To this end role of the Ombudsman, NHRIs, and civil society should be strengthened;
- h. strengthen capacity building and awareness for business enterprises on human rights due diligence tailored to local contexts through education on BHR standards using media, and other appropriate means;
- i. strengthen the role of NHRIs, including through capacity-building of relevant national actors, promoting multi-stakeholder dialogue and initiatives, and monitoring the implementation of these principles at the national level to identify gaps and challenges;
- j. develop linkages between NHRIs, NGOs, trade unions, and media to participate in designing, building and implementing human rights compliant approaches for businesses to foster cross-sectoral communication, broad buy-in, and a common understanding of the challenges;
- k. cooperate with the UN Mechanisms, regional mechanisms and Special Procedures, in implementing international standards dealing with BHR, in accordance with regulations and legislations of Member States.
- Engage civil society organizations in the Member States, including the media, community and
  voluntary institutions, to raise public awareness about the consequences of violating human
  rights stipulated by state regulations, and that access to information, access to justice and
  meaningful and effective participation of civil society in decision-making protect against the
  potential for abuse and exploitation by businesses.

**Urged Businesses** to respect human rights and develop a sense of corporate social responsibility by ensuring that their operations, supply chains, and business practices do not contribute to human rights abuses or violations. This could be achieved through:

a. **Human rights due diligence** to identify, assess, and mitigate any potential adverse impacts on human rights. This involves understanding human rights risks associated with their operations, engaging with relevant stakeholders, and taking appropriate actions to prevent or address any negative impacts. Also, address the heightened risk of vulnerability, discrimination, and



- marginalization of certain groups of rights-holders and provide effective remedies when negative impacts occur;
- b. **Adoption of responsible practices** by providing incentives for responsible behavior and imposing sanctions for non-compliance. This includes promoting transparency and accountability of standards and best practices for responsible business conduct;
- c. Collaboration with governments for sharing best practices, participation in multi-stakeholder initiatives, and supporting human rights advocacy and awareness raising;
- d. **Remedy and accountability** to address human rights concerns and negative impact raised by stakeholders, including employees, communities, and other affected parties, in accordance with regulations and legislations of Member States.;
- e. **Integration into business strategy and mainstreaming of human rights** by establishing clear codes of conduct for employees, contractors, suppliers, and senior decision-making officials that align with internationally agreed human rights standards to protect against violations of human rights.
- f. Continuous improvement and assessment which involves regular review of practices and update of policies by engaging in a continuous dialogue with all concerned stakeholders.

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