



## Media statement by the Bench Marks Foundation

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### Human rights due diligence must become law for companies

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#### FOR IMMEDIATE RELEASE

Multinational companies must commit themselves to conducting assessments of the impact on human rights through the actions of its suppliers' and partners, says The Bench Marks Foundation in its latest research report released today in Switzerland and South Africa.

The report, titled "Vitol and coal trading: Challenges of human rights due diligence in the supply chain", is a first of its kind case study assessing the human rights approach of Switzerland's largest company by turnover, as well as one of the world's top five coal traders, Vitol, and one of its suppliers, Coal of Africa Limited.

The United Nation's Guiding Principles on Business and Human Rights, state that all companies must adopt a human rights policy, put in place a human rights due diligence process and offer adequate remediation in case abuses occur, in order to meet their responsibility to respect human rights.

"Vitol has a high level of influence or "leverage" over Coal of Africa Limited (CoAL), a coal mining company based in Australia but operating in South Africa's Limpopo Province," says John Capel, Executive Director for the Bench Marks Foundation.

"The company is CoAL's exclusive marketing agent for all exported coal; therefore, according to the Guiding Principles, Vitol must exercise its leverage to prevent or mitigate the adverse human rights impacts that could be caused by CoAL.

"There are big problems with CoAL with regard to consultations with communities, water, food, health and other areas. Vitol should have conducted a Human Rights Impact Assessment on CoAL before signing any off take agreement with them".

Capel says that all multinational companies must actively adopt the UN Guiding Principles and prioritise due diligence for human rights for all its suppliers and particularly for those who carry high risks of negative human rights impacts.

"A quick assessment should be done on all suppliers and that will determine whether a more detailed Human Rights Impact Assessment is required for a particular supplier. This should be part of their normal operations," says Capel.

The research report recommends that Vitol adopt a formal commitment to human rights and define a policy in this regard which should refer to recognised international human rights standards such as the Universal Declaration of Human Rights and the eight International Labour Organisation's core conventions.

The report also recommends that in addition to assessing its suppliers, the company also conduct an assessment on its own subsidiaries.

Says Capel: "A high-ranking official should either be appointed to or be given direct responsibility for dealing with human rights issues and these assessments.

"And it should become a normal report back area on the company's Corporate Social Responsibility reports, annual reports as well as on its website.

“Further, companies must track its performance using human rights indicators and put pressure on its suppliers to build mechanisms into their business model to address harm and human rights issues.

“It’s time for companies such as Vitol and CoAL to take responsibility for their actions. This research also clearly shows us that voluntary initiatives are not good enough to curtail human rights offences. Mandatory measures are needed”.

The research report recommends that governments all over the world make human rights due diligence mandatory.

“With regard to Vitol and other Swiss companies, Switzerland needs a new law that will make human rights due diligence mandatory for all of its multinational companies. Other countries must follow suit,” says Capel.

“It’s totally unacceptable that human rights abuses are still allowed to happen. We have to start taking a stand and governments have to enforce laws to protect its people”.

The research report is the product of the joint work of the research teams from the Bench Marks Foundation and Swiss-based Bread for All. A coalition of 70 organisations has been formed to support the Initiative for Responsible Multinational Corporations. This initiative requires every multinational company to conduct human rights due diligence.

The Bench Marks Foundation monitors multinational corporations operation in Southern Africa and the rest of the African continent to ensure that they meet minimum social, environmental and economic standards and promotes an ethical and critical voice on what constitutes corporate social responsibility.

This research report is one of eleven other reports by the organisation highlighting corporate social responsibility issues in various corporations.

Go to [www.bench-marks.org.za](http://www.bench-marks.org.za) to access these reports and for more information on the Bench Marks Foundation.

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#### **About Bench Marks Foundation:**

Bench Marks Foundation is an independent non-governmental organisation mandated by churches to monitor the practices of multi-national corporations to

- ensure they respect human rights;
- protect the environment;
- ensure that profit-making is not done at the expense of other interest groups; and
- ensure that those most negatively impacted upon are heard, protected and accommodated within the business plans of the corporations.

The Foundation was launched by the Rt Rev Dr Jo Seoka who chairs the organisation and by member churches of the SACC in 2001.

<b>Bench Marks Foundation Contact:</b>	<b>Media contact:</b>
Mr John Capel, Executive Director 011 832 1743 or 082 870 8861 Email: <a href="mailto:jcapel@eject.co.za">jcapel@eject.co.za</a>	Chantal Meugens 083 676 2294 Email: <a href="mailto:Chantal@quo-vadis.co.za">Chantal@quo-vadis.co.za</a>

#### **About Bread for All:**

Bread for all is the development service of the protestant churches in Switzerland. It empowers people in Asia, Latin America and Africa to free themselves from poverty and dependency and it motivates people in the North to commit to a fairer world.

The organisation empowers people to build sustainable livelihoods through over 350 development projects and programmes in 50 countries in Asia, Latin America and Africa; informs and provides educational services about development policy issues for the public at large in Switzerland; advocates for international social, political and economic structures that provides the framework for a fair and sustainable development process worldwide and raises financial resources for development projects and programmes and provides monitoring and evaluation, based on defined quality criteria.