All companies are responsible for respecting human rights, and many have explicit sustainability policies and commitments. However, all of these can be undermined by the use of litigation strategies to avoid accountability for their impacts on people and planet by the same companies. While lawyers and law firms have duties to zealously represent their clients, companies can and should direct their counsel to refrain from representing them in ways that undermine the achievement of the SDGs and the realization of human rights, including victims’ access to justice.

Among the most harmful of these strategies are those that target environmental and human rights defenders, including journalists, trade unionists, civil society organizations, and critical members of a host community. Such attacks are so widespread in agribusiness that Michel Forst, the former UN Special Rapporteur on the situation of human rights defenders, has described its supply chains as “one of the riskiest for human rights defenders and communities.” In 2020, the Business and Human Rights Resource Centre identified 137 cases of attacks on defenders related to agribusiness. Although these included killings and violent attacks, the larger percentage comes in the form of judicial harassment.
Judicial harassment can come in the form of SLAPPs or strategic litigation against public participation. These lawsuits aim to intimidate and burden critics of a company in order to silence them and others who might speak up. Even where these lawsuits lack merit, they can drag on for years, draining the resources of environmental and human rights defenders and chilling legitimate criticism of the company’s conduct. \(^6\) UN experts, including the Special Rapporteur on Freedom of Assembly and Association \(^3\), the Committee on Economic, Social and Cultural Rights \(^4\), and ten Special Procedures mandate holders \(^5\), have called on companies and States to take action to end the use of SLAPPs.

Environmental and human rights defenders play a critical role in supporting food and beverage companies in identifying severe risks, including material risks, in their value chains. \(^6\) Protecting those who voice objections to a company’s or its business relationships’ activities is therefore vital to any SDG-aligned company, especially because of the high vulnerability of these individuals and groups. \(^7\) An essential approach for companies to protect environmental and human rights defenders is to engage with rightsholders constructively and prevent and mitigate litigation activities that target those who are critical of the company, including those who challenge the company in court.

To delay access to justice, companies also use procedural tactics, such as challenging jurisdiction in cases brought against them, including through the \textit{forum non conveniens} doctrine. Through this doctrine, companies insist that a case be moved to a jurisdiction that is more likely to produce a favorable outcome for the company, often due to the jurisdiction’s weaker rule of law or lower human rights standards. Fighting the company on jurisdictional grounds can take years, which drains resources and puts pressure on claimants to settle. It also impedes claimants from having a hearing on the merits of their case and delays company disclosure of information which would help establish their liability because discovery is not allowed until the merits phase. Even where victims succeed in achieving justice in these jurisdictions, they may still face companies’ challenges of verdicts before investor-state dispute settlement systems. \(^b\)

Some companies also use the “corporate veil,” or separate corporate personhood, which defines the corporation as being legally distinct from its owners. The corporate veil shields the parent company from liability for harms caused by a subsidiary. When defenders sue parent companies in their home states for harm caused by subsidiaries under their control, some parent companies use the corporate veil argument to plead to have the claim brought against the foreign subsidiary, rather than the parent company, in the state in which the harm occurred. \(^7\) This maneuver constrains victims’ rights to access justice and adequate remedy.

Finally, companies use mandatory arbitration clauses, class action waivers, and non-disclosure agreements to shield themselves from accountability while denying potentially affected stakeholders access to justice and remedy under the law. \(^b\) Companies use non-disclosure agreements as part of settlement agreements to suppress information that might otherwise help others impacted by the company’s activities to access remedy.

While the use of these tactics is widespread, existing sustainability frameworks, including GRI, CDP, SASB, PRI, and TCFD, do not cover these litigation activities. This standard aims to address that gap.

\(a\). For example, Energy Transfer, the developer behind the Dakota Access Pipeline, brought a racketeering lawsuit against Greenpeace, BankTrack, and other groups for their campaigning against the pipeline. (Source: Elodie Aba, “Lawsuits by Companies Seek to Silence Accountability Advocates,” Business & Human Rights Resource Centre, 2017, https://www.business-humanrights.org/en/blog/lawsuits-by-companies- seek-to-silence-accountability-advocates/)

\(b\). Investor-state dispute settlement systems or mechanisms are mechanisms commonly included in bilateral investment treaties between States in order to stimulate international investments and protect foreign investors against decisions that might create instability or unpredictability for companies from one country-investing in the other. Multinational companies can thus use these mechanisms to bring claims against the State if they believe regulatory action threatens the profitability of their investments. Companies have used these mechanisms to take States to international arbitration to challenge the adoption of robust regulation that would protect human rights or the environment while regulating the conduct of business.

\(c\). In many lawsuits brought against Royal Dutch Shell in British and Dutch courts for a major oil spill in Nigeria, the company argued it was not responsible for harms caused by its Nigerian subsidiary. (Source: Chris Kahn and Jonathen Fahey, “Chevron Fined $9.5 Billion In Ecuador,” CBS News, February 14, 2011, https://www.cbsnews.com/news/chevron-fined-95-billion-in-ecuador/.)
SDG-ALIGNMENT: ALIGNING CORPORATE PRACTICES WITH THIS STANDARD DIRECTLY CONTRIBUTES TO EACH OF THE 17 GOALS, given the importance of accountability and access to justice in achieving each of the goals. In addition, doing so contributes to the following process- and institution-related SDGs:

**SDG 16 – Peace, justice and strong institutions**

Target 16.3: Promote the rule of law at the national and international levels and ensure equal access to justice for all.

Target 16.6: Develop effective, accountable and transparent institutions at all levels.

**Target 16.10:** Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.

**BOX 29: LITIGATION ACTIVITIES**

This standard covers activities related to how the company uses legal and dispute settlement systems to avoid accountability in disputes with specific individuals and groups at local, national, regional, and international levels.

Covered activities include:

- Strategic lawsuits against public participation (SLAPPs), including defamation lawsuits against critics
- Procedural delay tactics, including jurisdictional challenges through abuse of the corporate veil and forum shopping to delay or deny access to justice to rightsholders, and avoiding discovery and the merits phase of litigation
- Measures to prevent claims or suppress information, including mandatory arbitration clauses, class action waivers, non-disclosure agreements, and intimidation of witnesses
- Submitting investor-state dispute settlement claims against regulations that protect human rights and the environment
- Drafting and joining amicus briefs in support of the claims of corporations and against those of victims of human rights impacts
- Making arguments in court which, if successful, will deny access to justice to victims of human rights impacts in the present and future cases.
21. LITIGATION STANDARD

STEPS TO MEET THE COMMITMENT

1. ADOPT A POLICY AND EMBED IT INTO GOVERNANCE AND MANAGEMENT SYSTEMS

1.1. ADOPT A POLICY

The board or the most senior level of SDG-aligned companies adopt a policy centered on a public commitment to responsible engagement with litigation; to respecting environmental and human rights defenders’, individuals’ and groups’ rights to free speech, protest, public participation, and petition the government; to respecting the rights to equality before the law and to a fair public hearing; and to the rights to access to justice and remedy. The policy:

- Aligns with and references the international standards listed in Box 30.
- States that, where the national law of the territory where a company and its business relationships operate conflicts with international law, the company defers to the higher standard.9
- Requires (1) constructive engagement with critics; (2) not engaging in SLAPPs; (3) not including mandatory arbitration clauses in contracts with workers, customers, and others; and (4) accepting jurisdiction where sued.

1.2. EMBED THE POLICY INTO GOVERNANCE & MANAGEMENT SYSTEMS

To embed the policy commitment, SDG-aligned companies:

- Stipulate oversight of their and their business relationships’ litigation activities by the highest governing body and establish engagement and escalation processes to manage instances in which misalignment is identified.12
- Train and build the capacity of relevant internal stakeholders, including in-house counsel, to align the company’s policies and practices with this commitment.
- Set clear expectations for those who represent the company, including in-house counsel, law firms, and trade associations, to comply with a commitment to responsible engagement with litigation policy.
- Embed expectations to comply with a commitment to responsible engagement with litigation policy in contracts with business relationships.13
- Ensure their business practices and the incentives they create do not contradict the policy in form or substance.

2. ASSESS ACTUAL & POTENTIAL IMPACTS

To systematically identify and assess actual and potential misalignment with the standard on an ongoing basis, SDG-aligned companies:

- Review their own procedural history to assess prior, current, and prospective litigation activities, including those undertaken by subsidiaries and others acting on the company’s behalf, such as trade associations and law firms (see Box 29 above with examples of litigation activities).
- Assess how these activities align with their commitment to responsible engagement with litigation.
- Ensure the assessment is informed by human rights experts and the views of stakeholders potentially affected by such activities.14
- Where a company’s business relationships, such as trade associations, are involved in litigation activities, review the potential impacts on people and planet of the activities and whether they accurately represent their commitments to social and environmental sustainability.

BOX 30: INTERNATIONAL STANDARDS ON ACCESS TO JUSTICE AND REMEDY AND THE RIGHTS TO FREEDOM OF OPINION, EXPRESSION, AND ASSEMBLY

- Universal Declaration of Human Rights, Articles 8, 10, 19, 20.10
- International Covenant on Civil and Political Rights, Articles 14, 19, 21.11

d. For example, Adidas has a public policy on human rights defenders that states “The adidas Group has a longstanding policy of non-interference with the activities of human rights defenders, including those who actively campaign on issues that may be linked to our business operations. We expect our business partners to follow the same policy, they should not inhibit the lawful actions of a human rights defender or restrict their freedom of expression, freedom of association, or right to peaceful assembly.” (Source: Adidas Group, “The Adidas Group and Human Rights Defenders,” 2016, https://www.adidas-group.com/media/files/public/f0/c5/fb592a9-906d-4b12-85cf-bd458468574/adidas_group_and_human_rights_defenders_2016.pdf.)
3. INTEGRATE BY SETTING TARGETS & TAKING ACTION

SDG-aligned companies integrate the findings of their assessment of actual and potential misalignment with the standard and their real or potential impacts into relevant internal functions and processes by **setting targets** and then **taking action** to align with the standard within set target dates.

### 3.1. SET TARGETS

SDG-aligned companies set specific time-bound intermediate and long-term targets to prevent and mitigate litigation-related impacts that are ambitious enough to contribute significantly to the SDGs’ achievement. The intermediate targets are relevant for the companies to monitor their and their business relationships’ continuous improvement towards meeting the standard. Where possible, indicators measure outcomes rather than outputs or activities.

### 3.2. TAKE ACTION

SDG-aligned companies integrate the findings of their assessments into relevant internal functions and processes. Some specific measures include:

- **Accepting and not challenging the jurisdiction** when cases are brought against a company or its subsidiaries, which can cause delays, be costly, and obstruct access to justice for victims.
- **Engaging constructively with critical workers, environmental and human rights defenders**, and those who may be affected by the company’s activities and business relationships. SDG-aligned companies do not merely engage in pro forma or symbolic ways, which may result in a lack of genuine consent and risks later conflict with communities and critics.
- **Addressing power imbalances between the company and potentially affected stakeholders**. This may be achieved through paying for complainants’ legal fees, paying fees for a mutually agreed-upon mediator, or innovative solutions such as basket funds, which dilute and anonymize company contributions to funds for communities’ legal and technical support.

### Key Practices

- **Refraining from the use of litigation or arbitration that seeks to hinder stakeholders’ ability to protect their rights through the legal system.** Specifically, SDG-aligned companies do not:
  - Bring or defend litigation in bad faith, which is meritless or frivolous.  
  - Seek to exploit power and resource asymmetries through practices that deplete the resources of counterparties. These practices include procedural maneuvers which prevent or delay claims on the substance and drive up costs for the counterparty.
  - Seek to intimidate or harass litigants.
  - Seek disproportionate damages.
  - Seek to prevent the exercise of human rights and chill the expression of public concerns regarding the company’s conduct or that of its business relationships.

- **Ceasing the use of mandatory arbitration clauses, class action waivers, and non-disclosure agreements in cases related to human rights impacts**, including discrimination and harassment.

- **Preventing witness intimidation and retaliation** against trade unionists, environmental and human rights defenders, and whistleblowers.

- **Paying judgments and fines** issued by domestic judicial and administrative authorities.

- **Refrain from filing amicus briefs, and investor-state dispute settlement claims that limit access to justice and remedy**, including investor-state dispute settlement claims that challenge domestic judgments.

- **Using leverage with business relationships**: Where those who represent the company and other business relationships, including trade associations, are involved in litigation activities that do not align with a company’s responsible engagement with litigation commitment, the company engages them to influence their activities. Where the business relationship’s activities do not change to align with the SDGs within a reasonable timeframe, the company publicly terminates its relationship, citing its reasons for doing so, including the respective areas of misalignment.

- **Using leverage with government actors**: Petition governments to protect environmental and human rights defenders, particularly those being targeted in connection with criticism of the company or its business relationships.

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**e.** For example, Adidas reports that it used its leverage with the Cambodia Garment Manufacturers Association (GMAC) compelling them to withdraw a legal action against six independent trade union leaders in Cambodia alleging their involvement in the destruction of property during nationwide protests in 2014. (Source: Adidas Group, “The Adidas Group and Human Rights Defenders,” 2016, https://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf.)

**f.** For example, Adidas has a public policy on human rights defenders that states it will petition governments where it feels the rights and freedoms of human rights defenders, including trade associations, have been impinged by the activities of the State, or its agents. (Source: Adidas Group, “The Adidas Group and Human Rights Defenders,” 2016, https://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf.)
4. ESTABLISH AND PARTICIPATE IN EFFECTIVE GRIEVANCE MECHANISMS & PROVIDE OR ENABLE REMEDY

4.1. ESTABLISH GRIEVANCE MECHANISMS

SDG-aligned companies establish effective, confidential, and anonymous grievance mechanisms and whistleblower protections to enable and protect both internal and external stakeholders reporting cases of misconduct related to the companies’ activities or activities of business relationships, including cases of adverse human rights impacts caused by litigation activities.22

4.2. COOPERATE IN STATE-BASED GRIEVANCE MECHANISMS

SDG-aligned companies cooperate and support judicial and non-judicial State-based mechanisms to report and adjudicate disputes and do not divert complaints to company grievance mechanisms in order to keep victims from seeking remedy for their claims in court. They facilitate and do not interfere with civil, criminal, and human rights examinations. SDG-aligned companies refrain from using legal waivers that preclude access to judicial recourse. SDG-aligned companies do not require complainants to agree not to seek judicial remedy once they have availed themselves of a company grievance mechanism. Where State-based mechanisms order sanctions or remedy, SDG-aligned companies comply and use leverage to ensure business relationships comply. Procedures are in place to report the reports of violent threats against human rights defenders to relevant authorities.23

4.3. PROVIDE OR ENABLE REMEDY

Where their activities cause or contribute to negative impact, SDG-aligned companies provide remedy through legitimate public grievance mechanisms and sanctions regimes. Depending on the circumstances, remedy may include a public apology, and acknowledgment of the company’s role in causing the harm, and contributions to reparations funds.

5. TRACK PERFORMANCE

SDG-aligned companies monitor and review the effectiveness of the implementation of the policies and procedures covering litigation to support continuous improvement to meet the standard. The companies track progress to align litigation activities with the standard, informed by experts and affected stakeholders. Tracking activities include (1) third-party assessments of litigation activities; (2) engagement with potentially affected stakeholders, including trade associations, environmental and human rights defenders, and civil society organizations; and (3) complaints raised through grievance mechanisms.24

6. DISCLOSE PERFORMANCE

To enable transparency and accountability, SDG-aligned companies communicate publicly on their performance against their litigation commitment and targets, particularly when concerns are raised by or on behalf of affected stakeholders. Where relevant, SDG-aligned companies also share aggregate data and high-level findings directly with affected stakeholders and organizations, including human rights organizations and researchers.

Regular public disclosure is accurate, clear, accessible, and third-party verified information about the actual and potential impacts related to their litigation practices, their efforts to address these to implement their policy commitment, and performance against targets. Disclosure includes sufficient information to evaluate the adequacy of the company’s approach and activities. Formal disclosure includes information on the following:

- Information about the litigation or arbitration a company, its subsidiaries, and those engaging in litigation on the company’s behalf are engaged in, including (1) the case name, (2) forum, and (3) a statement of the causes of action alleged.
- Actions taken to constructively engage with civil society.
- Efforts to use leverage with trade associations and other business relationships engaged in litigation activities that do not meet the standard.
- Measures to address power imbalances between a company and potentially affected stakeholders raising concerns.
- Efforts to use leverage with government actors to protect environmental and human rights defenders, particularly those being targeted in connection with opposition to the company or its business relationships.

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22 As defined by the UNGPs’ Effectiveness Criteria for Non-Judicial Grievance Mechanisms (“In order to ensure their effectiveness, non-judicial grievance mechanisms, both State-based and non-State-based, should be: (a) Legitimate… (b) Accessible… (c) Predictable… (d) Equitable… (e) Transparent… (f) Rights-compatible… (g) A source of continuous learning… Operational-level mechanisms should also be: (h) Based on engagement and dialogue…” (see UNGP 31 for further information). Source: United Nations, “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework,” 2011, https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf)
ENDNOTES


13. World Benchmarking Alliance.


22. World Benchmarking Alliance, “Social Transformation Framework to Measure and Incentivize Companies to Leave No One Behind.”


We are just at the start of a long-term transformation of the food system to achieve the SDGs, fulfill the Paris Climate Agreement, and ultimately, to build the future where human wellbeing is ensured, and the environment is protected. The Four Pillar Framework’s roadmap to holistic sustainability can help companies and their stakeholders advance this future. As we continue to deepen and expand our work in the years ahead, we welcome feedback and opportunities for exchanging viewpoints and information.