

# **Bhopal Principles on corporate accountability**

## **1. Implement Rio Principle 13**

States shall as a matter of priority enter into negotiations for a legal international instrument, and adopt national laws to operationalise and implement Principle 13 of the Rio Declaration, to address liability and compensation for the victims of pollution and other environmental damage.

## **2. Extend corporate liability**

Corporations must be held strictly liable without requirement of fault for any and all damage arising from any of their activities that cause environmental or property damage or personal injury, including site remediation. Parent companies as well as subsidiaries and affiliated local corporations must be held liable for compensation and restitution. Corporations must bear cradle to grave responsibility for manufactured products. States must implement individual liability for directors and officers for actions or omissions of the corporation, including for those of subsidiaries.

## **3. Ensure corporate liability for damage beyond national jurisdictions**

States shall ensure that corporations are liable for injury to persons and damage to property, biological diversity and the environment beyond the limits of national jurisdiction, and to the global commons such as atmosphere and oceans. Liability must include responsibility for environmental cleanup and restoration.

## **4. Protect Human rights**

Economic activity shall not infringe upon basic human and social rights. States have the responsibility to safeguard the basic human and social rights of citizens, in particular the right to life; the right to safe and healthy working conditions; the right to a safe and healthy environment; the right to medical treatment and to compensation for injury and damage; the right to information and the right of access to justice by individuals and by groups promoting these rights. Corporations must respect and uphold these rights. States must ensure effective compliance by all corporations of these rights and provide for legal implementation and enforcement.

## **5. Provide for public participation and the right to know**

States shall require companies routinely to disclose to the public all information concerning releases to the environment from their respective facilities as well as product composition. Commercial confidentiality must not outweigh the interest of the public to know the dangers and liabilities associated with corporate

outputs, whether in the form of pollution by-products or the product itself. Once a product enters the public domain there should be no restrictions on public access to information relevant to environment and health on the basis of commercial secrecy. Corporate responsibility and accountability shall be promoted through environmental management accounting and environmental reporting which gives a clear, comprehensive and public report of environmental and social impacts of corporate activities.

## **6. Adhere to the highest standards**

States shall ensure that corporations adhere to the highest standards for protecting basic human and social rights including health and the environment. Consistent with Rio Declaration Principle 14, States shall not permit multinational corporations to deliberately apply lower standards of operation and safety in places where health and environmental protection regimes, or their implementation, are weaker.

## **7. Avoid excessive corporate influence over governance**

States shall co-operate to combat bribery in all its forms, promote transparent political financing mechanisms and eliminate corporate influence on public policy through election campaign contributions, and/or non-transparent corporate-led lobby practices.

## **8. Protect Food Sovereignty over Corporations**

States shall ensure that individual States and their people maintain sovereignty over their own food supply, including through laws and measures to prevent genetic pollution of agricultural biological diversity by genetically engineered organisms and to prevent the patenting of genetic resources by corporations.

## **9. Implement the precautionary principle and require environmental impact assessments**

States shall fully implement the Precautionary Principle in national and international law. Accordingly, States shall require corporations to take preventative action before environmental damage or health effects are incurred, when there is a threat of serious or irreversible harm to the environment or health from an activity, a practice or a product. Governments shall require companies to undertake environmental impact assessments with public participation for activities that may cause significant adverse environmental impacts.

## **10. Promote clean and sustainable development**

States shall promote clean and sustainable development, and shall establish national legislation to phase out the use, discharge and emission of hazardous substances and greenhouse gases, and other sources of pollution, to use their resources in a sustainable manner, and to conserve their biological diversity.