

JCB to be investigated after UK Government body accepts LPHR complaint is material and substantiated relating to involvement in Israel's human rights violations against Palestinians

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The UK-based construction equipment company, JCB, is to be investigated after a UK Government body found today that key aspects of a human rights complaint by the UK legal charity Lawyers for Palestinian Human Rights (LPHR) are "material and substantiated", in relation to the use of its heavy machinery in Israel's illegal demolitions and settlement construction in the occupied Palestinian territory that result in serious human rights violations.

The UK National Contact Point, which is part of the Department for International Trade, has accepted in its Initial Assessment that JCB is in apparent non-compliance with three responsible business conduct standards under the government-backed OECD Guidelines for Multinational Enterprises. These critical issues will now be the subject of mediation or a full investigation.

This follows a comprehensive evidence-based complaint by LPHR which submits that JCB is failing to take the actions needed to identify, prevent, mitigate and address the use of its heavy machinery products in demolitions and settlement construction that violate the human rights of Palestinians. The use of JCB's machinery in these linked activities is material and prolific.

The Initial Assessment decision reveals that JCB accepts that LPHR's submitted evidence does show its machinery being used to demolish homes and other structures. Palestinian Bedouin communities in Area C of the occupied West Bank are particularly vulnerable to demolitions and displacement in violation of their human rights, such as the right to adequate housing.

The Initial Assessment also reveals that JCB is currently silent on the use of its products in illegal settlement-related construction. On 28 February 2020, the UN Office of the High Commissioner for Human Rights listed JCB on its database of companies with a "substantial and material" involvement in settlement activities, finding that "the violations of human rights associated with settlements are devastating and pervasive, reaching every facet of Palestinian life."

The UK National Contact Point will now offer a mediation to LPHR and JCB to resolve the complaint. In the possible absence or failure of mediation, the UK National Contact Point will carry out a full investigation and make a final determination on JCB's apparent breach of the following three key corporate human rights responsibilities under the OECD Guidelines:

- Seek ways to prevent or mitigate adverse human rights impacts directly linked to its business operations and products by a business relationship (Chapter 4, Paragraph 3)
- Have a policy commitment to respect human rights (Chapter 4, Paragraph 4)
- Carry out human rights due diligence (Chapter 4, Paragraph 5)

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JCB has a vital responsibility under the OECD Guidelines to seek to prevent or mitigate human rights violations to which they are linked by a business relationship. Appropriate responses may include imposing human rights related contractual provisions on Comasco - the Israeli company which is the exclusive distributor of JCB products in Israel – with respect to onward sale of JCB products, and using technology to trace the movement and location of its products.

If JCB is unwilling or unable to use its leverage to take appropriate preventative or mitigation steps, or if such efforts fail, JCB will be expected to end its business relationship with Comasco in order to break its direct link to human rights violations, and achieve necessary compliance with its human rights responsibilities under the government-backed OECD Guidelines.

LPHR's complaint asks that JCB:

- immediately suspend supply of products to Comasco that could be identified as being
 part of the supply chain that results in demolitions or settlement-related construction,
 and to permanently cease supply to Comasco should it not be able to provide credible
 and verifiable guarantees that such products will not be involved in the violation of
 human rights of Palestinians;
- 2. develops and publishes on its website a human rights policy which specifically sets out the due diligence methodology it applies to ensure that its products are not at risk of being directly linked in a business relationship to the violation of human rights; and
- 3. agrees to participate with LPHR and other appropriate stakeholders in establishing an effective grievance mechanism to enable remediation. Such a mechanism would be administered in accordance with the core criteria for a remediation process as specified in the OECD Guidelines, and incorporate appropriate financial and/or non-financial remedies for individuals in respect of damages suffered through the known uses of JCB products in the demolition of their homes and property.

Director of LPHR, Tareq Shrourou, said:

"We welcome this Initial Assessment and the UK National Contact Point's acknowledgement that there are serious human rights issues raised by our complaint under the OECD Guidelines for Multinational Enterprises which warrant mediation or thorough investigation.

"JCB's apparent failure to address the material and prolific use of its products in demolition and displacement incidents that cruelly impacts Palestinian families, and also its use in settlement-related construction which creates pervasive human rights violations, must cease immediately.

"We look forward to constructively engaging with JCB and expect it will do the right thing by complying with its human rights responsibilities. LPHR's objective of ending JCB's unacceptable involvement in human rights violations against Palestinians should be a shared one."



NOTES TO EDITORS (including links to video evidence)

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- 1. Lawyers for Palestinian Human Rights (LPHR) is a UK legal charity that works on projects to protect and promote Palestinian human rights. Our trustees include the senior human rights lawyers, Sir Geoffrey Bindman QC, Fiona McKay, Tessa Gregory and Nusrat Uddin.
- 2. In 2019, LPHR obtained and assessed credible, clear and compelling video, photographic and written contemporaneous evidence that substantiates the material and prolific use of JCB products in a number of specific demolition and displacement incidents, and in settlement-related construction. The primary sources of our evidence are: the prominent Palestinian human rights organisation, Al-Haq; the leading Israeli human rights organisation, B'Tselem; and the UK charity, EyeWitness to Atrocities.
- 3. LPHR's OECD Guidelines complaint was submitted to the UK National Contact Point on 10 December 2019. It comprises 11 sections with four appendices. Its first appendix includes links to video evidence. The second and third appendices outlines the photographic and written evidence submitted in an accompanying 205 page evidence bundle. The fourth appendix to the complaint provides a commentary on the urgent case of the impending demolition of the entire Palestinian village of Khan al-Ahmar in the occupied West Bank.
- 4. One of the items of video evidence submitted with LPHR's complaint can be viewed here. The video footage, taken on 11 September 2019 in the South Hebron Hills, shows a JCB vehicle, identifiable as the model 3CX, demolishing structures that are likely to be the six family homes reported in the B'Tselem commentary that accompanies the video. Further video evidence with short reports are accessible at pages 31-32 of our complaint here.
- 5. The primary evidence submitted with our complaint that substantiates the material use of JCB products in demolitions, relates to incidents in ten villages or areas in the occupied Palestinian territory, covering a time period of 2016 to 2019. In total, 89 homes are identified as having been demolished, resulting in the displacement of at least 484 individuals, including children and the elderly. One school (*Khirbet Tana Elementary School*) is among other property documented to have been demolished, as are water tanks.
- 6. The complaint also cited data from Al-Haq demonstrating that JCB products are prolifically involved in demolitions in the occupied Palestinian territory, having been responsible for at least 60 out of the 266 demolitions recorded in 2018, and at least 70 out of 281 demolitions of homes and other property it documented between 01 January 2019 to 31 October 2019.

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- 7. Since submission of our complaint, demolitions and displacement have relentlessly continued. UN data shows 557 structures have been demolished by Israel's military authorities, with 747 people displaced, from 1 January 2020 through to 1 October.
- 8. On 28 February 2020, the Office of the UN High Commissioner for Human Rights (OHCHR) published its database of companies with a "material and substantial" involvement in one or more settlement-related activities. JCB is one of the 112 listed companies. The UK National Contact Point does not reference this in its Initial Assessment. OHCHR notes "the violations of human rights associated with settlements are devastating and pervasive."
- 9. The UK National Contact Point considers complaints that a multinational enterprise based or operating in the UK, is in breach of the OECD Guidelines for Multinational Enterprises. The OECD Guidelines constitute the only government-backed international instrument on responsible business conduct with an in-built grievance mechanism. The human rights chapter of the OECD Guidelines (Chapter 4) reflects the principles within the government-backed United Nations Guiding Principles on Business and Human Rights. The UK National Contact Point is part of the Department for International Trade.
- 10. LPHR prior submitted a comprehensive human rights complaint to the UK National Contact Point regarding the activities of the security firm G4S in the occupied Palestinian territory. The complaint resulted in adverse human rights findings being made against G4S by the UK National Contact Point in June 2015. Nine months later, G4S announced it had commenced a process to sell its subsidiary, G4S Israel. In June 2017, G4S announced the completion of the sale of G4S Israel to FIMI Opportunity Funds (an Israel private equity fund).
- 11. The parliamentary Joint Committee on Human Rights expressly referred to LPHR's written evidence when recommending in its 'Human Rights and Business 2017: Promoting responsibility and ensuring accountability' report that, "the [UK] Government gives clear guidance to procurement officers that large public sector contracts, export credit, and other financial benefits should not be awarded to companies who have received negative final statements from the [UK] National Contact Point and who have not made effective and timely efforts to address any issues raised."