

Business and Human Rights in Law - Glossary



Definition of key terms in relation to legislative and case law developments concerning corporate responsibility to respect human rights and parent company liability.

Battery

A criminal offence and a tort. The act of intentionally and voluntarily bringing about unwanted harmful or offensive physical contact with a person or an object in use by that person.

Cause of action

- (1) The legal basis for a suit (e.g. negligence, battery, false imprisonment, etc.).
- (2) The set of facts that entitles a party to seek judicial relief.

Civil law

(1) A body of law that deals with disputes between private parties. Civil law includes such areas as tort, contracts, wills, trusts, property, family law, and commercial law. The state plays no role in civil cases unless it initiates a suit, is the party being sued, or intervenes in the case.

(2) A legal system derived from ancient Roman law. In civil law jurisdictions, a civil code is the primary source of private law. A civil code is a comprehensive statute or collection of statutes.

Class action

A legal action involving a group of people who have a similar interest regarding an alleged wrong. Through a class action, multiple claims are resolved in a single court proceeding.

Common law

A legal system that is derived from medieval English courts. In common law systems, precedence is the primary source of private law. Precedence is the body of prior decisions made by judges on cases with the same or similar subject matter.

Conversion

A kind of tort. An act through which a party is deprived of his or her personal property in the absence of consent.

Corporate veil

A metaphor that describes the legal separation of shareholders from the companies that they own. The veil represents the principle of corporate law known as separate legal personality. This principle prevents the assignation of legal responsibility to shareholders for the acts and omissions of the companies in which they have bought shares.

The corporate veil applies to parent companies that hold shares in their subsidiaries. The veil prevents parent companies from being held responsible for the acts and omissions of their subsidiaries. Often, this legal separation is not reflected in fact, as managerial oversight and resources flow through the corporate group unimpeded. To “lift” or “pierce” the veil is

to treat the corporate group in law as it commonly exists in fact: as a single entity.

Costs award

A court order requiring the losing party in civil litigation to pay all or a portion of the winning party's legal expenses.

Criminal law

A body of law that prohibits conduct that constitutes a threat to the public at large or to accepted social values and that imposes punishment for unlawful behaviour.

Damages

Compensation for injury. In civil litigation, a person who suffers a tortious injury is entitled to receive damages from the party that is responsible.

Duty of care

A legal obligation to adhere to a standard of reasonable care while performing any acts that could foreseeably harm others

Forum non conveniens

A legal doctrine by which a court may decline to exercise its jurisdiction on a matter on the basis that another court is better suited to adjudicate the case.

Home state

The country where the parent company is incorporated, domiciled, or within whose jurisdiction the company has its main seat or its main place of business.

Host state

A country, other than the home state, where a parent company operates, often through a subsidiary. A country that "hosts" the parent company's investments or business activity.

Human Rights Due Diligence (HRDD)

HRDD is generally understood as a means by which companies can identify, prevent, mitigate, and account for the negative human rights and environmental impacts of their activities or of those linked to their business relationships. These business relationships often involve subsidiaries, contractors and subcontractors, suppliers and a variety of economic transactions.

Jurisdiction

In the context of the judiciary, the legal authority of a court to adjudicate a matter.

Liability

The legal obligation to answer for one's acts or omissions and to repair any loss or harm that may have been caused.

Litigation

Legal proceedings related to a civil lawsuit.

Negligence

A kind of tort. A breach of one's obligation to avoid acts or omissions that cause unreasonable loss or injury to another party or their property.

Negligence requires that a duty of care be owed by one party to another, that the applicable standard of care be breached, that the party towards whom the duty is owed suffer loss or harm, and that the negligent act or omission cause the loss or harm.

Parent company

A company that owns another company. The latter is often called a subsidiary.

Subsidiary

A company that is owned by another company. The latter is usually called the parent company.

Tort

A body of private law that governs when a party will be held responsible for causing harm to another party outside of a contractual relationship. Examples of torts include negligence, assault, and false imprisonment.

Transnational

Transcending or operating across national borders.

Vicarious liability

A legal doctrine that imposes liability on a party for the negligent acts or omissions of another party. Vicarious liability requires that the parties be linked through a particular legal relationship, such as that between a parent and child or an employer and employee.

The bhrinlaw.org website has been created by leading corporate accountability NGOs to track legislative and case law developments related to the corporate responsibility to respect human rights, with a focus on mandatory human rights due diligence and parent company liability.

Joint initiative of:

