

Business and human rights: Taking stock of corporate commitments

by Mary Robinson
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This week, representatives of over 1000 companies headquartered in all regions will gather in New York to assess their progress under the United Nations Global Compact, the world's largest corporate citizenship initiative. The Global Compact, which marks its 10th anniversary this year, seeks to foster business practices which align with universally-accepted principles in the areas of human rights, labour, environment and anti-corruption. Among these principles, the over 5000 businesses which currently participate in the Global Compact have committed to "support and respect the protection of internationally proclaimed human rights", and to "make sure they are not complicit in human rights abuses."

A decade ago, few companies saw human rights as relevant to their operations, let alone had made a public commitment to respect them. I saw this begin to change during my term as UN High Commissioner for Human Rights. Business leaders began to see how a range of dilemmas – from complying with government censorship requirements, to providing finance for infrastructure projects that displace large numbers of people, to contracting with security forces which violate basic rights standards – could all result in a range of reputational and legal risks for companies.

Today, we are getting closer to a tipping point when private sector leaders from all industry sectors will recognise that their companies need to engage proactively with human rights issues and demonstrate they are doing so in practice. More and more companies now see how respecting human rights can not only help avoid risk but can also contribute to good community and employee relations.

For many companies, the first step in that process involves developing a publicly-stated policy on human rights. A still small but steadily growing number of firms from a range of business sectors and regions have adopted human rights policy statements to guide their efforts. The non-profit Business & Human Rights Resource Centre, the world's leading source of information in this area, keeps a running list of such policies: www.business-humanrights.org/Documents/Policies.

What can be done to encourage more companies to make a commitment to human rights?

First, advocates and companies that have already taken steps to integrate concern for human rights into business practices need to make the case to more business leaders that rights are internationally-accepted standards. Human rights encompass a broad spectrum of issues, from workplace discrimination to health & safety, from access to water to security concerns in conflict zones. They provide a comprehensive and authoritative foundation on which firms should analyse actual and potential risks and evaluate their social conduct throughout their operations.

Second, more business leaders need to understand that respecting human rights also makes good business sense. Attention to human rights concerns helps companies avoid costly litigation and reduces the likelihood of NGO campaigns or consumer boycotts.

Finally, companies need to know that at the international level, the increasing expectation to respect human rights is reflected in the work of the UN Special Representative on business & human rights, Professor John Ruggie of Harvard University. His "Protect, Respect and Remedy" policy framework has been unanimously accepted by the governments on the UN Human Rights Council, and welcomed by both human rights and business organizations. It consists of three "pillars": the *state duty to protect* human rights (including protection from abuses by third parties such as companies); the *corporate responsibility to respect* human rights; and *access to remedy* when abuses occur.

The corporate responsibility to “respect” makes clear that all companies must avoid infringing on the rights of others and stipulates four essential steps to this end: adopting a human rights policy; assessing the company’s impacts on human rights; integrating human rights into management procedures; and tracking and reporting on performance. Adopting a policy is an important step but just the first in a company’s ongoing human rights efforts.

The field of business & human rights is evolving rapidly. Both in terms of clarifying what companies are expected to do, and also the types of human rights issues they encounter, business leaders still need support to move in the right direction. Organizations such as the Institute for Human Rights and Business which I chair are working with the Global Compact and other initiatives to provide greater guidance and clarification for businesses on managing their human rights impacts and undertaking human rights due diligence processes.

The lesson for those who have not yet taken steps in this direction is that many of the first companies to adopt a human rights policy did so in the wake of public exposure for serious abuses. Increasingly, firms are taking a preventative rather than reactive approach. They realise that it is in their best interest to respect human rights and put responsible practices into place before abuses occur.

The 10th anniversary of the UN Global Compact provides an important opportunity for an honest assessment of progress to date and a renewed commitment to making respect for human rights part of mainstream business practices.

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