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\(^1\) The Business Network on Civic Freedoms and Human Rights Defenders is an informal network of companies, convened and facilitated by Business & Human Rights Resource Centre, the B Team and ISHR. Founded in 2016, it explores the role of companies in helping to protect civic freedoms and human rights defenders, enables discussion and mutual learning, and may be used flexibly to initiate individual or collective action around the world.
Business and civil society operate in and benefit from a “shared space” defined by common, fundamental elements. The rule of law and freedom of expression, association and assembly are essential to the realization of all human rights, to good governance and accountable institutions. These elements are also critical to stable, profitable and sustainable business environments in which companies thrive and economies prosper.

Yet this shared space is as much an ideal as it is a reality. The strength of the shared space is tested by a history and legacy of mistrust between elements of civil society and business, especially between multinational corporations in certain industries and local communities in the Global South. This mistrust reflects actions, whether intentional or inadvertent, by individual companies and even entire industries to undermine civic freedoms and to undercut human rights defenders (HRDs). It persists in episodic conflicts and confrontations in almost every region. Yet standards and practices have evolved over the last two decades to encourage or require companies to respect human rights – however incompletely and inconsistently. Moreover, company engagement and consultation with local communities and stakeholders is overcoming conflict and confrontation in places and ways that encourage further progress.

This common ground is being forged at a volatile historical moment. The recent trend towards authoritarianism – even among some longstanding democracies – is weakening the shared space by degrading civic freedoms and threatening HRDs around the world.

Civic freedoms include freedoms of expression, association and peaceful assembly and the right to participate in public affairs. Governments use a range of repressive techniques to constrain these freedoms: authorizing the use of force against peaceful demonstrators; restricting or banning NGOs from registering if they receive or do not declare foreign funds; deploying mass surveillance and shutting down internet and telco networks. Some governments, occasionally in coordination with companies, mount campaigns to discredit and tarnish civil society organizations (CSOs) and HRDs as security threats, “foreign agents” or “economic saboteurs.” In many countries, trade unions are suppressed, and striking workers attacked.

HRDs and trade unionists as well as journalists require civic freedoms to fulfill their mission to hold public and private power accountable. Often at risk to their lives, they expose corruption, oppose environmental degradation, promote gender diversity, protect minority rights, and campaign for worker rights and workplace safety. They support equitable and sustainable development for their communities and countries. They are the “canaries in the coal mines,” the watchdogs and the whistleblowers whose efforts – even if not always appreciated by companies – secure the essential underpinnings of profitable and responsible business environments.

Alarmingly, in the last decade, HRDs have increasingly come under massive attack. Since 2015, there have been over 1,200 attacks on HRDs working human rights issues related to business, including more than 400 killings. Workers were exposed to physical violence and threats in 65 countries in 2018 and trade unionists were murdered in nine countries in the first half of that year. Journalists are increasingly being imprisoned and attacked.

THE PURPOSE OF THIS GUIDANCE

This guidance encourages companies to focus on this increasingly inescapable agenda. It urges them to engage and to act – carefully but deliberately – in their own interests and in the mutual interests that they share with civil society.

This guidance advises companies as they address the challenges as well as opportunities to support civil society and HRDs. It explains the normative framework, the business case and the moral choice that should inform company engagement and action. It focuses on factors companies should consider when deciding whether, and if so how, to act in response to certain issues and situations. It identifies risks for both action and inaction – and observes that managing the risks of inaction may be greater than managing the risks of action for many companies. And it spotlights examples of how companies are acting across countries and sectors, as well as new initiatives and critical actors in the arena.
One of the most important and urgent opportunities for responsible business is to support basic human rights and civic freedoms and those who defend them. This agenda should be compelling for companies in three distinct yet complementary contexts: first and foremost, the normative framework that makes clear the company responsibility to act when certain factors pertain, complemented by a business case, and a moral choice in other circumstances.

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support HRDs. While it may be unrealistic to discourage companies from considering the business case even in these circumstances, they should give decisive priority to this normative responsibility if a reasonable analysis (along the lines proposed in the decision-making criteria section of this guidance) makes clear that one or more of those factors are apparent. Yet the business case should be the essential factor for company consideration – along with a moral choice and the determination of leverage – in other circumstances when those cause, contribute and linkage factors are less apparent or not present.

The main elements of the business case for engagement and action are:

- **Securing the Shared Space.** A successful and stable business environment depends on respect for civic freedoms and the rule of law. Companies should support these civic freedoms and the rule of law – and those who defend them – to support stable, predictable business operations and investment opportunities. To minimize the political volatility and instability that comes from repression of these freedoms and the rule of law, businesses should support and protect those that defend them.

- **Managing Operational and Reputational Risk.** HRDs, trade unionists, other civil society actors and organizations play a critical monitoring and reporting role that alerts companies to risks that have the potential to disrupt business operations and damage brand reputations. Their role benefits companies to the extent that they maintain constructive relationships with these civil society actors.

- **Building Competitive Advantage.** Supporting civic freedoms can give businesses reputational and competitive advantages, especially for two categories of companies:
  - Those whose social license to operate is most closely connected to local communities with which they intersect, and
  - Those who look to grow their numbers of socially-conscious consumers and responsible investors.

- **Overcoming Mistrust and Securing the Social License to Operate.** Supporting civic freedoms and HRDs may alleviate legacies of mistrust existing between local communities and companies by building trust with local communities upon whom companies’ routine operations and long-term futures depend. The social license to operate is critical to a company’s stability and profitability, both at the project level with local communities and at the national and global level with diverse stakeholders. The social license to operate seems intangible but when lost it can have material consequences damaging to company operations, reputations and relationships.

**Beyond the normative framework and business case, a company and the individuals working for them have a moral choice to act – both to do no harm anywhere and to do good when possible.** These moral considerations are rooted in centuries of religious theology and moral philosophy which inform both commonplace ethics and contemporary jurisprudence. Companies are challenged to make moral choices at the organizational level, while individuals working within companies can contribute to ethical and accountable corporate cultures.

The complementary normative framework, business case and moral considerations all encourage companies to support civic freedoms and HRDs under threat.

**This guidance outlines a decision framework that is both analytical and operational to determine whether and how to act in various circumstances.**

This framework is not designed necessarily to result in an affirmative determination to act in any or all circumstances; indeed, it identifies a range of risks related to company action as well as to inaction. But it supports the conclusion that in many circumstances, companies can and should act to protect civil society space and/or to defend HRDs or organizations against attacks and repression.

There are two rationales leading to company action on behalf of civic freedoms and HRDs:

- **A normative responsibility** to act consistent with the UNGPs if the company has caused, contributed or is linked to a human rights harm or adverse impact through its direct operations or relationships;

- **A discretionary opportunity to act,** even if one of these factors pertaining to the UNGPs do not apply, by drawing on the business case, making a moral choice, and weighing the potential costs of action versus inaction.

These four steps set forth a logical progression of factors that companies can evaluate in making the determination whether to engage:
Establish the reality and severity of the harm threatened to the civic freedom or HRD, including the veracity of the allegations and the credibility of their source.

Establish the degree of company involvement – cause, contribution or other linkage to the threat or the harm (consistent with Guiding Principle 13).

Identify the form(s) of company action, taking into account its leverage, that maximize the potential positive impact on civic freedoms and/or HRDs.

Identify the relative risks of action and inaction to the civil society/rights holders and to the company relative to the issue or situation.

The first three steps pertain to actions compelled by the normative responsibility of companies to act.

The first, third and fourth steps pertain to actions encouraged by the discretionary opportunity for companies to act.

As companies follow these steps and these factors in deciding whether to engage, they should also be guided by pragmatic flexibility in deciding how to act. There is no one appropriate or consistent form of action that applies to all circumstances; a spectrum of actions (individual and collective, public and private) may be combined concurrently or sequentially to address an issue or situation.

Private or public, individual or collective statements or actions may be taken on a case-by-case basis and be deployed flexibly and sequentially as the issue or situation evolves:

Companies may be more comfortable with delivering private statements behind the scenes to home or host governments. In other circumstances they may be compelled to speak publicly as well as privately, depending on the issue or situation and intended outcome.

Company actions may also be undertaken individually, whether publicly or privately. In other circumstances, it can be more effective to act collectively together with other companies operating in the same country or industry:

Industry associations and employer organizations that explicitly embrace the basic proposition that companies have a responsibility to respect human rights (per the UNGPs) are also useful, credible platforms for companies to act collectively in ways that distribute and diminish risk.

An individual or collective company voice is often most useful, but multi-stakeholder initiatives can also be credible platforms for collective action in certain countries and sectors that are most exposed to the closing of civil society space and threats to HRDs.

A company’s determination of whether – and if so how – it may engage on a particular issue or in a certain situation should compel it to assess the relative risks and costs of action versus inaction:

The risks and costs of action are most often perceived by companies in connection with the host governments of the countries where they operate. Companies may perceive commercial, legal and in turn competitive risks if they engage on politically sensitive issues.

The risks and costs of inaction for companies may affect the quality and continuity of the business environment in a country or region if undermined by the erosion of civic freedoms and in turn accountable governance. Companies may also risk the security and stability of their physical presence and their social license to operate with local communities, and in turn their reputations with international civil society, responsible investors and other stakeholders.

There are a range of ways that companies can support civic freedoms and the rights of HRDs and local communities in their mutual interest.

As the shared civil society space becomes increasingly fragile, the social license to operate also becomes increasingly imperiled. Moreover, as pressures and expectations for responsible business intensify in an era of geopolitical and economic disruption, companies can both create opportunities and manage risks by embracing this important and urgent agenda.

It is essential that these factors are considered – and decisions made – on a cross-functional basis involving to the extent possible corporate headquarters and in-country executives/staff plus legal counsel, human rights and corporate
responsible experts, government, public affairs and (in some circumstances) security and human resources staff.

**CEO-level decisions are also essential when a company's core values, reputation, operations and relationships are at stake.**

This important and urgent agenda brings into sharp relief the roles and responsibilities of governments, companies and civil society. It challenges companies to be voices and forces for civic freedoms and human rights defenders in their mutual interest as the pressure on their shared space intensifies.

**SPOTLIGHTS: COUNTRIES AND SECTORS; RECENT INITIATIVES AND CRITICAL ACTORS**

The framework set forth in this guidance is supported by four sets of “spotlights” that crystalize critical issues faced by civil society and business alike related to the shared space. The spotlights highlight actions undertaken by companies – individually and collectively as well as through multi-stakeholder initiatives and coalitions – to support civic freedoms and HRDs related to the shared space.

The spotlights focus on four countries (Cambodia, Myanmar, Guatemala and the United States), four sectors (extractives, agriculture, apparel and digital technology) plus two initiatives (related to LGBTI rights and mega-sporting events) and two critical actors (responsible investors and CEO activists). Each spotlight aims to analyze the sometimes conflicting but also converging challenges and dilemmas that civil society and companies face in connection to civic freedoms.

**Countries**

- **Cambodia:** Cambodia is at the center of recent action by apparel companies in support of embattled civic freedoms and HRDs. It offers a vivid example of the shared space at stake for business and civil society in connection with workers rights and freedom of association. Violent repression of protests calling for a higher minimum wage compelled major brands to act. Their willingness to coordinate private and public statements through two closely associated multi-stakeholder initiatives – the Fair Labor Association (FLA) and the Ethical Trading Initiative (ETI) – are a model for similar collective actions elsewhere.

- **Myanmar:** Myanmar’s democratic transition opened an opportunity for multinational corporations not only to build a commercial presence in a resource-rich but infrastructure-poor country with a large and growing consumer market. The transition also appeared to present an opportunity to promote human rights standards that could contribute to a profitable and sustainable business environment that could also attract further foreign investment. Yet civil unrest, ‘ethnic cleansing’ and attacks on HRDs have tilted this affirmative opportunity into a defensive responsibility. Persecution of the Rohingya Muslim minority has created a humanitarian crisis and compelled several major multinationals – from extractives to Internet companies – to make public statements supporting tolerance while some responsible investors are advocating divestment.

- **Guatemala:** Guatemala has long been an arena of conflict between civil society and companies in the mining and agriculture sectors. A massive oil spill of toxic effluent from a national palm oil company in 2015 triggered civil society protests, resulting in violent attacks on the protesters that appeared to be perpetrated by individuals acting on behalf of the company. That company’s major multinational partner suspended its sourcing relationship and subsequently consulted – together with an international NGO coalition and local civil society stakeholders – on ways for the national company to improve its local community engagement process. Nonetheless, this example of corporate responsibility points to the complexities and dilemmas faced by companies developing large-scale exploitation of natural resources in areas inhabited by local indigenous communities whose objective may be to regain control of their land and resources.

- **United States:** Support for civic freedoms and HRDs is not only a challenge for companies working in Southern countries and those governed by authoritarian regimes, but also for those navigating the narrowing of civic space in increasingly authoritarian semi-democracies such as Turkey and Hungary. The
US is home to many of the world’s most powerful multinationals and a vibrant democracy, but civic freedoms have come under growing threat during the Trump Administration. Major companies have spoken out on policies to impose travel bans on citizens of certain Muslim majority countries and to impose discriminatory restrictions on immigration. While American companies continue to focus most of their policy and advocacy efforts on tax, trade and regulatory objectives, their growing willingness to address issues related to civic freedoms – including LGBTI rights – may influence both the debate over American democracy and the example that the US sets abroad for responsible business.

Sectors

- **Extractives (Oil/Gas and Mining):** The variety and severity of the threats to the shared civil society space related to the extractive industries – and at the same time the history and legacy of mistrust between companies and civil society – is approached only by the agriculture sector. Five central and overlapping areas present common challenges for companies and civil society in ways that directly affect civic freedoms and HRDs: security forces in conflict zones or in proximity to local communities; indigenous communities’ rights to land and water resources; environmental issues related to the degradation and depletion of water and other resources; inadequate transparency and accountability of revenue and expenditure to curb corruption; impunity for attacks on community leaders. These challenges are also opportunities to build on the standards and initiatives that have evolved to focus more sharply on the protection of civic freedoms and HRDs: security forces in conflict zones or in proximity to local communities; indigenous communities’ rights to land and water resources; environmental issues related to the degradation and depletion of water and other resources; inadequate transparency and accountability of revenue and expenditure to curb corruption; impunity for attacks on community leaders. Multi-stakeholder initiatives have the potential to sharpen their focus on these issues to become more consistent and effective platforms for company engagement and action together with civil society.

- **Agriculture, Food and Beverage:** The agriculture sector encompasses a tremendous breadth and depth of human rights-related risks and impacts for business and civil society alike and, along with mining, it is the sector with the greatest frequency and intensity of attacks on HRDs. Multi-stakeholder initiatives have the potential to sharpen their focus on these issues to become more consistent and effective platforms for company engagement and action together with civil society.

- **Digital Technology:** Digital technology has empowered civil society to organize and challenge governments – and corporations – around the world, and at the same time, many governments are now pushing back against domestic as well as external challengers by using their legal, regulatory and even *force majeure* physical power over technology companies. Demands on internet service providers to block websites and shut down networks – and on social media companies to delete content – have increased dramatically over the last several years, and digital rights groups have documented new laws that criminalize growing amounts of online speech. Technology companies may be confronted with choices that require them to balance a commitment to respect human rights with commercial decisions. The multi-stakeholder Global Network Initiative

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8 Almost four environmental defenders a week killed in 2017, Jonathan Watts, Guardian (Feb. 2, 2018). In 2017 and 2018, it surpassed mining as the most dangerous sector to oppose, according to Global Witness and Business & Human Rights Resource Centre’s research.
(GNI) has worked to advance corporate respect for freedom of expression and privacy in the face of government censorship and surveillance (including network shutdowns); and Access Now launched a Digital Security Helpline, funded partly by technology companies, to provide real-time support for online civil society, activists and HRDs at risk.

**Recent Initiatives**

- **LGBTI Commitments:** Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) individuals around the world face widespread discrimination and threats. They often lack legal protections without which it is easy to be fired from their jobs, bullied and harassed at school, or denied basic healthcare simply because of their sexual orientation. Two high-level initiatives encourage business support for protections for LGBTI individuals in the workplace and public policy arenas: Open for Business and the UN Free and Equal Initiative (UNFE) Standards of Conduct for Business. These initiatives will encourage further support from business, building on recent examples of positive company action on LGBTI issues in countries as diverse as Australia, the US, China, India and Singapore.

- **Mega-Sporting Events:** The Beijing 2008 and the London 2012 Summer Olympics brought into sharp focus the broad range of human rights issues that may arise in connection with a major sporting event such as the Olympics or the World Cup. Companies are involved in every step of the process of staging a mega-sporting event: from providing the most basic local services to promoting the most visible global brands. Focus on major sporting events lagged the general business and human rights movement, but progress is being made through pressure from civil society and efforts by stakeholders to develop policies and procedures to protect human rights. The Mega-Sporting Events Platform for Human Rights (MSE Platform) was launched in 2017 with international and inter-governmental organizations, governments, sports governing bodies, athletes, trade unions, sponsors, broadcasters, and civil society groups for this purpose.9

**Critical Actors**

- **Responsible Investors:** Social, ethical and faith-based investors have focused on human rights as shareholder advocates for over four decades, and now human rights are gaining wider attention – even traction – among the growing number of investors who are considering risks and opportunities related to non-financial environmental, social and governance (ESG) as factors that may affect company valuations and investment performance. Apart from significant longstanding engagement on indigenous peoples and worker rights, there has been little explicit direct focus by investors on civic freedoms and HRDs, even though the shared civil society space is an anchor; of sustainable investment as well as overall business environments. In 2018, the U.S.-based Interfaith Center on Corporate Responsibility (ICCR) formally launched the Investor Alliance for Human Rights (IAHR), a new initiative aimed at building on the longstanding socially-responsible and faith-based investor in human rights and extending that interest to mainstream investors. In April 2018 IAHR issued a statement on HRDs maintaining that companies and financial institutions “have a responsibility to review their operations, supply chains and policies to identify real and potential negative impacts on HRDs, and take meaningful action to address them...”10

- **Activist CEOs:** With intensifying political conflict in many countries against a backdrop of geopolitical disruption, expectations are rising for business leaders to use their access and influence on a growing range of issues in the public policy arena – including many related to human rights and civic freedoms. In the face of populism, nationalism and racism, CEOs are becoming reluctant but effective activists by criticizing certain statements by political leaders and actions by governments. In the last several years, many have taken public stands on a variety of human rights issues such as immigration, LGBTI inclusion, climate change, racism, and gun control, especially in the US but also in Europe. CEOs will almost certainly continue to face rising expectations from employees and customers, shareholders and stakeholders, to take high-profile public stands on civic freedoms.

9 The MSE Platform was relaunched in June 2018 as a permanent and independent “Centre for Sport and Human Rights”, dedicated to supporting a world of sport that fully respects human rights. See: www.megasportingevents.org.

ABOUT THE AUTHORS:

Bennett Freeman has worked at the intersection of governments and international institutions; multinational corporations and investors; NGOs and civil society to promote sustainable development and respect for human rights around the world. An innovative leader in the fields of business and human rights, natural resource governance and responsible investment, he has played key roles in developing several multi-stakeholder initiatives and global standards that have strengthened corporate responsibility in industries ranging from extractives to technology.

Freeman led the development of the Voluntary Principles on Security and Human Rights (VPSHR) on behalf of the US Department of State in 2000; served on the International Board of the Extractive Industries Transparency Initiative (EITI) representing Oxfam and Publish What You Pay from 2006-09; and has been a leader of the Global Network Initiative (GNI) as a co-founder on behalf of Calvert Investments and Board Secretary since 2010.

Freeman consults for corporations, foundations and NGOs through Bennett Freeman Associates LLC; as a Senior Advisor to BSR; a Senior Advisor to Critical Resource; and a Strategic Partner of RESOLVE. He is Chair of the Advisory Board of Global Witness; Chair of the Advisory Board of the Responsible Sourcing Network; a member of the Governing Board of the Natural Resources Governance Institute; an Advisor to the Corporate Human Rights Benchmark (CHRB) and Know the Chain (KTC); and member of the Steering Committee of the Investor Alliance for Human Rights (IAHR). He was a Director of Oxfam America from 2002-10 and a Trustee of the Institute for Human Rights and Business (IHRB) from 2008-15.

Freeman was Senior Vice President-Sustainability Research and Policy at Calvert Investments from 2006-15 where he led the ESG research, shareholder advocacy and policy initiatives of the largest socially responsible mutual fund family in the US. Before joining Calvert, he was Managing Director/Senior Counsel at Burson-Marsteller, where he led the Global Corporate Responsibility practice from 2003-06 and advised clients on policy development and stakeholder engagement. Previously as Principal of Sustainable Investment Strategies, he co-authored the first-ever human rights impact assessment (HRIA) for the BP Tangguh project in West Papua, Indonesia.

Freeman served at the US Department of State as Deputy Assistant Secretary for Democracy, Human Rights and Labor from 1999-2001; Senior Advisor to Under Secretary for Economic and Business Affairs Stuart Eizenstat from 1997-1999; and Chief Speechwriter for Secretary of State Warren Christopher and Deputy Assistant Secretary for Public Affairs from 1993-97.

Prior to joining the State Department as a Clinton presidential appointee, he was Manager-Corporate Affairs for GE from 1985-1993 where he worked on a range of corporate responsibility, public policy and global business strategy initiatives. He began his career as a speechwriter and presidential campaign aide to former Vice President Walter Mondale from 1982-1984.

Bennett Freeman earned an AB in History at the University of California at Berkeley in 1979 and an MA in Modern History at the University of Oxford in 1981 as a Churchill Scholar at Balliol College.

Sif Thorgeirsson is an experienced business and human rights expert as well as a US-trained lawyer based in Washington, DC. Since September 2016, she has been working as an independent consultant on business and human rights and corporate responsibility matters. Prior to that, Sif spent ten years at the Business & Human Rights Resource Centre where she launched and subsequently managed the Centre’s Corporate Legal Accountability Program. Before joining the Resource Centre, she was a researcher at Yale Law School on international human rights issues (including business & human rights). She started her legal career as an associate at the Troutman Sanders law firm in Washington, DC where she practiced for five years in the areas of project development and finance in the energy sector; international law and corporate law.

Sif received her law degree from George Washington University Law School. While studying law, Sif worked as a research assistant to international law Professor Ralph Steinhardt, working on subjects including human rights and corporate accountability. She received her BA in History and Political Science from McGill University. Sif is fluent in English & Icelandic, with good Spanish & French.

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NGOs and companies active in the field. Adele graduated from Johns Hopkins School of Advanced International Studies (SAIS) in May 2017 with an academic concentration in International Economics and Middle East Studies. She earned her BA in Jurisprudence from the University of Oxford in 2013 and was admitted to the New York Bar in June 2018. She is a dual US/UK citizen of Lebanese descent and is currently based in Washington, D.C.

Brooks Reed currently works as the Director of Business Development for Charities Aid Foundation America. His research interests have focused on the private sector in international development and multi-sector structures of global governance. His professional experience includes time with international NGOs and within the Executive Office of the Governor of Florida. In the past, Brooks worked closely with Charities Aid Foundation in the UK, as a contributor to the report Beyond Integrity: Exploring the role of business in preserving civil society space (Charities Aid Foundation, 2016). Brooks holds a MSc in Development Management from London School of Economics (2016), as well as a BA in International Affairs and a BA in Political Science from Florida State University (2015).