

Just Business:

Why companies must pay attention to human rights

Luncheon Presentation

Thursday, November 5, 2009 12:45 – 2:15pm

Speaker

- >> **Dr. John Ruggie**, Kirkpatrick Professor of International Affairs, Harvard University, and United Nations Special Representative for Business and Human Rights

Key Messages

- >> Human rights processes should be included in CSR strategy.
- >> To have an effective and robust risk management system, a company must address human rights.
- >> Human rights strategies should include a due diligence process and grievance mechanisms.
- >> Corporations, independent of what States do, must respect human rights.

Worth Repeating

“The era of declaratory CSR is over. Saying that you mean well is no longer enough.”

“Companies need to manage human rights risks in the same way they would manage any other type of risks.”

“Achieve practical goals where they matter the most, which is in the daily lives of people.”

Summary

Dr. Ruggie noted that there are many common reasons why companies must pay attention to human rights (legal compliance, public perception, moral code, etc.). However, he asserted that we are no longer at the point of solely confirming and discussing these reasons, and are now in an "action" phase. We must begin to design and implement mechanisms to help determine how respecting human rights is being measured and acted on by corporations.

Dr. Ruggie's framework for business and human rights notes that corporations act independently of existing State actions that protect human rights. Because of this, it is necessary to identify the systems and regulations corporations have to regulate human rights. He noted that business must put grievance mechanisms in place to avoid the escalation of small problems. An ongoing process that uses core elements to assess, integrate and track is necessary to display a sense of action and due diligence.

Putting a risk management system in place to help minimize and mitigate human rights can be achieved by corporations with the help of the State. Both State and corporations need to work together from start to finish, and post implementation, to ensure that these systems work. They must show an integrated response, working with communities and business partners (e.g. supply chain), to ensure that human rights are protected and maintained.

Transformational Corporate Social Responsibility

There are three main challenges that need to be addressed in order to make this work. We must:

- Ensure that companies are provided the right tools to bridge the gap between business and government.
- Draw linkages within government, as there must be coherent support between each government system to ensure consistency.
- We must also draw linkages between investment policies and human rights.

It is clear that companies must pay attention to human rights, whether as a legal, moral or organizational requirement. However, it is necessary that companies and States show an integrated approach that ensures the right mechanisms are in place to monitor, measure, and maintain human rights regulations.