

Global Compact Leaders Summit, Palais des Nations, Geneva
Getting Down to Business: Human Rights
10:30 – 12 pm, 6 July 2007

- Chair:** Louise Arbour, UN High Commissioner for Human Rights
- Presenters:** Mary Robinson, President, Realizing Rights: The Ethical Globalization Initiative
Mads Ovlisen, Chairman of the Board, Lego Group
- Participants:** Approximately 80 representatives of business, civil society, labour, government, and the UN participated.

Proposals for Global Compact participants and other companies:

Some of the suggestions made during the session for how to raise the level of corporate human rights performance included:

- Companies can and should make better use of the growing number of business and human rights tools that help improve understanding of how human rights are relevant for business and of what can be done to enhance respect for and promote human rights.
- Companies are encouraged to use tools such as the *Guide to Integrating Human Rights into Business Management*, and *A Human Rights Framework*. Suggestions of improvements to either publication are welcome and can be given to BLIHR, the Global Compact Office or the OHCHR.
- Companies should conduct human rights impact assessments where relevant and use the HRIA tool. Comments and suggestions for improvement on the tool are welcome from all interested organizations. They should be sent to Caroline Ersmarker at the IBLF: caroline.ersmarker@iblf.org.
- Companies should develop explicit human rights policies or statements as part of their commitment to the Global Compact and make these public.
- Companies are encouraged to use the occasion of the 60th anniversary years of the UDHR to commit to a new concrete activity to advance human rights within their business and sphere of influence.
- Companies should give further emphasis to engaging with their stakeholders, both internal and external, on human rights related issues.
- Companies are encouraged to proactively manage human rights issues in the same manner that they approach other business issues.

1. Welcome and Introduction of the Session

The High Commissioner welcomed the participants and introduced the session. The first two principles of the Global Compact are explicitly devoted to human rights. However, there is a human rights dimension to many of the other principles. Implementation of the two first principles remains one of the more difficult aspects of the Global Compact for participating companies. The challenge for companies is to move from aspiration to action. Failure to make this transition puts voluntary initiatives at risk. Whether a company is motivated by a business case or because it is the right thing to do or both, respect for human rights, at its most fundamental level, is about respect for human dignity. Compliance with applicable law is a minimum requirement for human rights implementation.

The Chair introduced the four discussion questions for the session:

Question 1: What are the new issues and opportunities for business as we move to the 60th anniversary of the Universal Declaration of Human Rights?

Businesses have benefited from implementation of a number of the rights in the UDHR, including property

rights, freedom of expression, due process. The 60th anniversary of the UDHR provides a key opportunity to review progress thus far and to scale up implementation efforts.

Question 2: How can all stakeholders in the Global Compact work to ensure that voluntary human rights initiatives deliver on their promises?

Accountability is important and can be enhanced through techniques such as self-assessment, peer review, and external scrutiny and verification.

Question 3: There is a correlation between weak governance and corruption, and the lack of respect for human rights. What role can businesses play in such situations including to ensure that their own practices and policies respect human rights and to help promote good governance in their countries of operation?

This question is about the often complex relationship between business and governments. In many countries, business has the capacity to undermine as well as help strengthen government institutions.

Question 4: How can human rights impact assessments be more effective, and applied more widely?

The Chair noted that some tools have been developed that can help with the conduct of human rights impact assessments. A number of business and human rights tools, which were launched at the Summit, were then introduced. These include a business and human rights e-learning tool; a poster offering a human rights framework for the management of human rights issues; and a guide to human rights impact assessment and management. Two people were invited to offer introductions and testimonials about these and other business and human rights tools.

Peter Brew, IBLF, introduced the *Guide to Human Rights Impact Assessment and Management*, which is an 8-step process for how to conduct a HRIA. The guide has been published in road-testing format following extensive consultation. Companies are encouraged to work with the tool and provide feedback on it. The final version will be published in two years. The Guide is available on the IBLF, IFC and Global Compact websites.

Ron Popper, ABB, referred to the fear that many businesses have of human rights, as well as the fact that relatively few companies have explicit human rights policies. He suggested that practical tools can help businesses to overcome this fear. In this context, he introduced the *Guide to Integrating Human Rights into Business Management*, which offers step-by-step guidance for how to implement human rights within a business' operations and sphere of influence. The Guide is currently available in English and Chinese on the websites of the Business Leaders Initiative on Human Rights (BLIHR), the UN Global Compact, and the Office of the UN High Commissioner for Human Rights (OHCHR). French, Spanish and Swedish versions are in development. He also drew participants' attention to a poster entitled *A Human Rights Framework*, launched at the Summit, which summarizes on one page the main elements of a human rights management framework. The poster will be available in all UN languages on the websites of the UN Global Compact Office, BLIHR, OHCHR and IBLF, and in hardcopy from the Global Compact Office.

2. A Civil Society Perspective on the Role of Business in Respecting and Promoting Human Rights

Mary Robinson suggested that, while important progress has been made by business on human rights, greater conceptual and legal clarity is still needed. She referred to the mandate of the Special Representative of the Secretary-General on Business and Human Rights, who was appointed by the Secretary-General in 2005, following a request by Governments. She highlighted some of the main findings of the SRSG's recent report. She noted that the UN treaty bodies are paying increasing attention to the role of States in ensuring accountability for business involvement in human rights abuses. Developments in international criminal law has

also increased the risk that businesses and their senior management could be held accountable for failures to respect human rights. This underscores the need for businesses to be proactive in addressing the human rights issues that they face. She also referred to the SRSB's finding that there is a need to make voluntary initiatives more effective, including through the use of accountability mechanisms. The delisting of Global Compact participants for not communicating their progress is an important step. There are now some excellent business and human rights tools available. Businesses should make more use of them.

The upcoming 60th anniversary year of the Universal Declaration of Human Rights provides a unique opportunity for all companies to develop a human rights policy and commit to a concrete new activity to enhance their respect and support for human rights.

3. A Business Perspective on the Role of Business in Respecting and Promoting Human Rights

Mads Ovlisen described efforts to manage human rights issues in the companies that he has managed. He pointed out that the mistakes that companies make can be an important source of learning. Human rights issues should be managed in the same way as other areas of business concern. Key ingredients of effective human rights management include: conducting an internal review, use of external experts, extensive internal discussions, setting the strategy and priorities, engaging with outside stakeholders, paying attention to the supply chain, and reporting on progress. In addition, there should be great importance placed on open discussion with NGOs. Businesses should not be afraid of engagement with their stakeholders on the topic of human rights. It can also be an important source of innovation. The business case is important, but respect for human rights is also the right thing to do. At their most fundamental level, human rights are about respect for human dignity. He said "We wanted our shareholders to understand that there could be situations where we would forego short-term financial growth for environmental and social priorities which we thought were in the best long-term interest of the company."

4. Table Discussions and Report Back

The session participants considered the discussion questions and then were asked to report back to the group. Suggestions proposed included:

On question 1: What are the new issues and opportunities for business as we move to the 60th anniversary of the Universal Declaration of Human Rights?

- ✓ Companies could use their websites to help raise awareness of the UDHR during the upcoming commemorative year.
- ✓ The supply chain is an important area of focus for business and human rights. Beliefs that human rights best practices would trickle through the supply chain have not yet been realized.
- ✓ Interactive forums and dialogue can help to overcome fear of human rights.
- ✓ National human rights institutions could be encouraged to organize dialogues during 2008 to mark the UDHR's anniversary.
- ✓ Regional 60th anniversary events could be organized involving businesses inside and outside Global Compact Local Networks.
- ✓ The Global Compact should point to tools for participating companies focusing on what the UDHR says, how it applies to business etc. Companies could be encouraged to use these tools in dialogues with employees during 2008 at the company level. Trade unions could be involved in this effort.

- ✓ It was suggested that the Global Compact encourage participants to fund human rights education activities around the UDHR in the communities where they operate. The role of the private sector could be one topic of discussion.
- ✓ The occasion of the 2008 Olympics could be used to engage sports celebrities in talking about the importance of the UDHR. Corporate sponsors of the Olympics could be invited to organize events and do media work involving such celebrities.
- ✓ A trust fund could be established dedicated to providing funding support for human rights capacity building activities.

On question 2: How can all stakeholders in the Global Compact work to ensure that voluntary human rights initiatives deliver on their promises?

- ✓ Accountability mechanisms for all participants could be strengthened.
- ✓ Engage in more collective action and partnerships.
- ✓ Some governments have a blacklist of companies that are implicated in human rights abuse.
- ✓ Companies could use market forces to monitor and control their supply chains. For example, companies using the same suppliers could join forces and take collective action to deny market access to persistent human rights abusers. Human rights education and advocacy is better than simply sanctioning, especially for SMEs.

On question 3: There is a correlation between weak governance and corruption, and the lack of respect for human rights. What role can businesses play in such situations including to ensure that their own practices and policies respect human rights and to help promote good governance in their countries of operation?

- ✓ Companies can ensure that human rights are respected within their own operations around the world.
- ✓ Collective approaches can be helpful. Companies can get together to commit to human rights frameworks.
- ✓ Peer pressure can be applied.
- ✓ Sectoral approaches may be fruitful.
- ✓ Working with trade unions can be especially helpful on labour issues.
- ✓ Dialogue is very important, especially with Government and civil society.

On question 4: How can human rights impact assessments be more effective, and applied more widely?

- ✓ There is a need to overcome the fear of human rights, especially the fear of working with NGOs.
- ✓ NGOs also need to overcome the fear of working with business.

5. Close of session

Summing up the session, the Chair welcomed the willingness of participants to help promote the UDHR, especially in its anniversary year. She remarked on the good progress that has been made thus far in the area of business and human rights, but called attention to the need for Global Compact participants to encourage each other to deliver on their commitments in more concrete terms and, at a minimum, to articulate a corporate policy on human rights that is made visible to the outside world. This is important to promote accountability and ensure that some do not “freeride” on the good efforts made by others. She then thanked the presenters and participants, and closed the session.