

Business and Human Rights: A Convergence of Expectations



December 19, 2011 by Sarah A. Altschuller

Former UN Special Representative on Business and Human Rights John Ruggie, now a <u>senior advisor</u> to our CSR practice, recently authored an <u>article</u> in <u>Corporate Secretary</u> magazine in which he observed that there has been a "convergence of expectations" with regard to business responsibilities in the area of human rights.

These expectations are set forth in the <u>UN Guiding Principles on Business and Human Rights</u>, authored by Professor Ruggie and his team. <u>As discussed previously</u>, these Principles were endorsed by the UN Human Rights Council in June of this year. Central to the Principles is the expectation that companies have a responsibility to respect human rights and that this requires companies to conduct <u>human rights due diligence</u> on their operations. As noted by Professor Ruggie, [h]uman rights due diligence requires companies to develop effective policies and procedures to assess the actual and potential human rights impacts associated with their activities and business relationships, and to act upon the findings.

Professor Ruggie observes that the Guiding Principles are "not just another set of voluntary standards vying for attention in an increasingly crowded space" but rather represent "authoritative UN standards around which *the articulated expectations of many public and private institutions have already converged*." (emphasis added)

Specifically, as noted in the article, the United States Council for International Business, the International Organization of Employers, and the International Chamber of Commerce have all voiced support for the Principles. The guidance set forth in the Principles has also been incorporated into:

- The revised Organization for Economic Cooperation and Development ("OECD") Guidelines for Multinational Enterprises;
- The revised International Finance Corporation ("IFC") Sustainability Policy and the corresponding Performance Standards; and
- The ISO 26000 social responsibility standard adopted by the International Organization for Standardization ("ISO").

The formal endorsement, and rapid incorporation, of the Guiding Principles marks 2011 as a transformative year in the field of business and human rights. Looking ahead to 2012 and beyond, companies should expect that stakeholder expectations with regard to corporate impacts on human rights will increasingly be informed by this new framework.

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