



When and how was the business and human rights relationship defined?

Debate within the United Nations system on the responsibility of business with regard to human rights is not new. In the late 1990s, following highly-mediatised allegations of corporate involvement in human rights abuses, a UN Sub-Commission on Human Rights (now the UN Human Rights Council) began to explore the relationship of business with international human rights obligations and subsequently released a report proposing norms on business responsibilities. Although these norms were not accepted by the Commission, in 2005 the UN Secretary-General appointed Prof. John Ruggie as his *Special Representative on transnational companies and other business enterprises and human rights*, with a mandate to re-assemble the stakeholders to look at new approaches. This work culminated in June 2008, with a report, unanimously endorsed by the UN Human Rights Council, which proposed the following three-pillared policy framework:

- The **State duty to protect** against human rights abuses by third parties, **including business**, through appropriate policies, regulation and dispute resolutions.
- The **corporate responsibility to respect** human rights, that is, to **act with due diligence** to avoid infringing the rights of others.
- **Access to effective remedy** for victims of human rights abuse, including through court or in-house processes.

Between 2008 and 2011, Prof. Ruggie was mandated to operationalise and elaborate on this framework, which culminated in *The Guiding Principles on Business and Human Rights* covering the three pillars. The Guidelines were endorsed by the UN Human Rights Council on 16 June 2011 and make clear that these Principles do not impose new legal obligations on business, or change the nature of existing human rights instruments. They aim rather to articulate what these established instruments mean, for both States and companies, and to address the gap between law and practice.

What does the “Corporate Responsibility to Respect” mean for business?

- The responsibility to respect is a **standard of expected conduct** recognised by virtually every voluntary and soft-law initiative.
- It means **avoiding infringing the rights of others** and **successfully addressing adverse impacts** of business activities if and when such impacts occur.
- Its scope is determined by a business’s **actual and potential** impact, both of its own activities and **those of its relationships**, e.g. with other business partners, such as suppliers, as well as governments and customers.
- It is a **baseline responsibility** and applies to all internationally recognised human rights.

What is the IOE position on Business and Human Rights?

The IOE has closely followed this debate since the outset, and indeed mounted a successful campaign for the rejection of the draft norms described above. Nevertheless, the IOE strongly supported the pragmatic approach of the policy framework and, with the ICC and BIAC, led the business engagement with Prof. Ruggie, and often organised the business involvement in the many multi-stakeholder consultations that took place under his

mandate, to ensure that the perspective of the corporate world was taken into account in creating the Guiding Principles.

How can the IOE help Business to realize the corporate responsibility to respect?

Whilst the primary responsibility to protect human rights lies with States, the IOE is working to enhance understanding and promotion of the corporate responsibility to respect through its Employers' Guide entitled *Guiding Principles on Business and Human Rights*. A one-day training programme (in English) has also been designed for roll-out by IOE member federations in their respective countries. This material has been formulated to support business efforts in **proactive engagement**, and aims to assist members and their companies in giving effect to their responsibility.

The IOE advises companies to do the following:

- **Assess the risk of actual or potential impacts** of business operations on all existing human rights instruments. A useful tool for this assessment is the UNHCHR publication *Human Rights Translated: A Business Reference Guide*.
- **Keep it simple**: companies will learn a lot by taking one or two rights through a **due diligence process**. This will create replicable processes for additional rights assessments.
- **Prioritise the rights** that could be impacted, bearing in mind that there is risk of non-respect both directly and indirectly through business relationships, for example within the supply chain.
- Spend time **identifying appropriate interlocutors within stakeholder groups** and explore, through **dialogue**, how the company's activities may impact them now and in the future and how negative impacts can be avoided.
- Clearly **set out**, and **communicate**, the company's responsibilities, expectations and commitments both internally and externally. A useful tool for this is the *interpretive guide* released in November 2011 by UNHCHR.
- Give **visibility** to the company's activities in this regard – **demonstrate engagement**.
- **Allocate financial and human resources** to due diligence, stakeholder dialogue and follow-up processes.
- Realise that **the corporate responsibility to respect is ongoing** – this requires periodic review mechanisms.
- **Consider creating a complaints handling procedure**, rather than waiting until allegations of non-respect occur despite best efforts. Such a system should ensure that all allegations are properly received, considered, addressed and rectified before escalating into a major issue, or even crisis, which will be more difficult to manage and potentially cause costly reputational damage.
- **Consult with national employers' organisations** as a key partner. Many provide forums for the exchange of information and good practice.

For more Information and Answers to your Questions

Please visit the [Human Rights Section](#) of our website, www.ioe-emp.org. If you do not find what you are looking for, please email Mr Brent Wilton, Acting Secretary-General, at wilton@ioe-emp.org, or call +41 22 929 00 00.