



UN ANNUAL FORUM

Closing high-level plenary Panel discussion: 'Identifying concrete steps to ramp up implementation of the UN Guiding Principles on Business and Human Rights'

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MARK HODGE – EXECUTIVE DIRECTOR – GBI

Please note that this document does not constitute a verbatim transcript of the speech delivered at the Annual Forum, but is a summary of key talking points and concepts addressed. This does not constitute a statement or opinion piece on behalf of the Global Business Initiative on Human Rights or its member companies, but is a response to questions posed by the forum Chair to the Executive Director in his personal capacity.

Thank you to the Chair and to the UN Working Group for this kind invitation to offer inputs at this Closing Plenary. It has been a real honour and privilege to be at the UN Forum for the past few days. I have found it informative, and helpfully focused on the progress made and challenges faced by diverse stakeholders and institutions.

I was asked to address how we might go about deepening and broadening business commitment to corporate respect for human rights. I would like to make two points.

- First, we need to better understand what the UNGPs actually require of, and offer to, corporations and rights-holders. Specifically, we should not let efforts to scale implementation erode the transformative and radical nature of corporate respect for human rights.
- Second, we need to focus on stronger political leadership, from more diverse parts of governments, to implement Pillar One and Pillar Three of the UNGPs. This is ultimately the only way to reach the tipping point in terms of corporate practice.

Point One: Corporate respect for human rights - as set out in the UNGPs - requires change and integration in a hugely complex set of business functions, processes and contexts. The UNGPs also, importantly, seek to effect a radical shift in the relationship between rights-holders and corporations.

It is critical that as we move forward to disseminate the UNGPs; try to incentivise better practice; and debate regulatory approaches etc., we do not overly simplify the UNGPs to the point that they lose their power to effect change. It is true that companies often seek out simple road maps but implementing corporate respect for human rights is not really a simple endeavour. Many leading companies have found value in the Guiding Principles by struggling with them, by understanding what they really mean, and how this can generate new commercial and strategic thinking; better problem solving; and genuine change in corporate conduct.

There are two things to emphasise here. First, different from any of the previous CSR movements or norms, the Guiding Principles require really deep change in very diverse parts of a corporation – whether that's to do with governance, joint venture agreements, mergers and acquisitions, long-term sourcing strategies or responses to dilemmas. By way of illustration, earlier today in this room we heard from a community leader describing when a Canadian mining company sold a mining operation in her community to a Russian company - suddenly the whole context of how that mine related to the community changed, caused confusion and undermined past agreements. Her view was that the Canadian company has a responsibility. She is absolutely right. Under the Guiding Principles, even disposing of assets requires human rights due diligence. Ultimately, operating with respect requires a huge amount from companies across a large number of business activities. Many represented in the Forum have made considerable progress but many businesses are just getting started.

The second aspect of respect that might be easy to dismiss and is very hard to create simple rules and performance measures around is the relationship between corporations and rights-holders. The UN Guiding Principles call for a radical rethink of this relationship. The intent is to put rights-holders at the core of corporations, and to help rights-holders have a voice in how corporations make decisions. For companies, this means getting engaged in the messiness of consultation processes, recognising that human rights defenders can be partners in conducting due diligence (even when the State may label them as disturbers) and making affected people agents in the process of implementing respect for human rights not the objects of it.

I was struck by Margaret's example. One of the lessons I take from that case study was the transformative power of making Executives go to the funerals of deceased employees. That engagement with the reality of someone losing their life and the plight of their families can have a transformative effect on a corporation and how it operates for years and years to come. It can effect a paradigm shift in culture and behaviour. Again, I would say that most companies in this room are trying to grapple with these issues and many of them will tell you they're not really there yet but certainly I think they are making progress.

Point Two: Beyond trying to scale corporate activity with reference to Pillar 2, we need more political leadership with regards Pillar One and Pillar Three of the UNGPs. This is the only real way to make substantial progress, especially when it comes to laggards not even at the table.

Yesterday in the opening plenary a moderator asked 'How do we get more businesses in the room?' What struck me – the questions which actually got into my mind – were not 'How do we get more businesses in the room?' But rather: How do we get Heads of State in the room? How do we get ministers of finance and trade in the room? How do we get representatives from Ministries of Industry in the room? How do we get Ministers of Labour in the room? How do we get local government officials overseeing investment in special economic zones in the room? This week, in parallel to our meeting here, the G20 met in Istanbul. I know of *only one person* (Sharon Burrow from ITUC) that got on a plane from the G20 meeting to come here. Why is that? It strikes me that there are two parallel conversations going on, and they can't remain as such to make progress.

Perhaps we need a strong multi-stakeholder alliance to call for stronger G20 commitment to BHR. By 2020, maybe we will have in place a G20 Action Plan on Business and Human Rights? This might involve:

- The G20 following the EU to call for National Action Plans.
 - An annual convening as part of the UN Forum of Trade and Investment Ministers and heads of international finance institutions to talk about the impact on people of trade and investment agreements.
 - A commitment to fully integrate a 'risk to people' lens into financial institution decision making.
 - The 20 largest firms in each of the G20 countries using the UNGPs Reporting Framework to create better information in the market about performance and what work is being done .
 - The creation of pre-competitive space (outside of trade rules, pricing, and competition rules) to address shared systemic issues such as modern slavery or living wage.
 - An alliance between the G20 and OHCHR to implement the eventual recommendations from the OHCHR Accountability and Remedy project.
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By way of conclusion, the six-year journey of the Special Representative on Business and Human Rights did indeed produce an historic consensus around a document with 31 principles. That was incredibly meaningful and we have talked about it a lot over the last few days. But the six-year mandate also challenged us to approach old challenges with a new lens and to find ways to put the conversation about rights-holders and human rights into the structures, mechanisms, institutions and logic of economic globalisation. So, as we move forward to the next five years, we need to work to keep that alive, to bring those two communities and global movements more strongly together. I hope we'll all join together in that challenge.

Thank you very much for the time on this panel.

Access video footage of the full closing plenary at:

<http://webtv.un.org/live-now/watch/forum-on-business-and-human-rights-2015/4473498400001>