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“A Tale of Two Cities” Launch of 2018 Corporate Human Rights Benchmark

12th November 2018
Aviva, London

**Keynote speech delivered by John Morrison
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My name is John Morrison and I am CEO of the Institute for Human Rights and Business (IHRB). It is a proud moment to be at the launch of the 2018 Corporate Human Rights Benchmark – its second iteration. IHRB was proud to be the institutional home for the Benchmark during its development years and we’re happy to see how well it has established itself during its first year as an independent organisation. The Benchmark was born through partnership between civil society and investors with the support of key governments, and this partnership continues today.

This year’s results portray a Tale of Two Cities – to borrow a title from Charles Dickens. The good news is that some of the companies assessed have made real progress in disclosing their human rights performance. We should remember such disclosure is not at the request of the Benchmark. United Nations and OECD standards call for such transparency. Increasing interest in corporate reporting legislation at the national level is seen from Australia to Norway, France to Switzerland. There are some real success stories – companies determined to demonstrate how they are implementing the corporate responsibility to respect human rights.

The less good news is that there are companies living in another city – which have stubbornly remained unengaged from human rights, and if they are managing their risks and negative impacts, they are not being transparent about doing so. Do not assume for one moment that these laggards are only in one business sector or fall under jurisdictions somewhere far from here. Many scoring below 10% on this year’s Benchmark are well-known retail brands.

It is now seven years since the UN Guiding Principles on Business and Human Rights asked companies to “know and show” in terms of their human rights due diligence – to actively gain knowledge about risks to people including risks outside of their direct control and to be transparent about said knowledge and the preventative steps and mitigations they’ve put in place. The United Nations Working Group on Business and Human Rights has been critical of the pace of implementation and this year’s Benchmark bears this out – there are too many laggards and too few incentives in place for them to move on human rights when compared with requirements such as those on anti-corruption measures or health and safety.

In one month’s time we will be celebrating the 70th Anniversary of the Universal Declaration of Human Rights, signed at the Palais de Chaillot in Paris on 10th December 1948. Europe and much of the world

had been destroyed by war. It was a group of thought leaders and those of all major faiths that came together under the leadership of Eleanor Roosevelt to agree this historic text. It was at the 10th Anniversary of the UDHR in 1958 that Eleanor Roosevelt reminded the world in a speech at the UN in New York that human rights were not just the stuff of governments, but also of the workplace: “the factory, the farm and the office” – to use her words – human rights needed to be respected in “all the small places”. It is a phrase that the founding chair of my own organisation – Mary Robinson – likes to use a lot. It was also a speech much loved by another leader – Dame Anita Roddick – the founder and first CEO of The Body Shop international – at the time of the 50th Anniversary of the UDHR. Ten years ago, many of us were at the Palais de Chaillot in Paris to mark the 60th Anniversary with a major business and human rights conference we organised in the Palais itself. I am pleased that Paris will again see a number of events next month to mark the 70th Anniversary.

But events alone are not enough. The world is crying out for more leadership and more brave action. Eleanor Roosevelt, Mary Robinson and Anita Roddick are three pivotal leaders from the past 70 years, but we need more. In his recent article in *The Economist*, Prince Zeid Ra’ad Al Hussein – the former UN High Commissioner for Human Rights – puts his faith for the future of human rights not in the hands of governments or the UN system but rather grassroots activists – the network of human rights defenders spanning the globe risking their lives to defend the rights of us all. Interestingly, he also points to business leaders as the other sign of hope and wonders if civil society and business can stand together in some new alliance for human rights.

We live at a time of great disruption. Populist governments have come to power in every global region. Many people feel that they have not benefited from globalisation even if the evidence is that it has lifted over a billion people out of abject poverty. If protectionism is to be resisted, then trade has to be seen to be in the interests of the many and not the few. Some might say that talk of human rights at such a time is at best a diversion and at worst a conceit of the liberal elite. But perhaps we are about to enter a new period in which the public will cast a more critical eye on business that is perceived not to pay its dues to society. It is a time when technology too will disrupt the social contract between business and society, when automation will radically change the kind of jobs created – more and more questions will be asked of business, as well as every other kind of organisation and institution. We know from the results of this year’s Edelman Trust Barometer that levels of trust in all types of organisation are at a record low – be that government, business or for that matter civil society.

In the “fake news” era, society will demand greater transparency and disclosure, and technology might soon enable this also. As the Corporate Human Rights Benchmark grows year on year in its breadth and scope, we hope it will increasingly inform investor decisions but also start to influence the way that governments exercise their economic power and ultimately how consumers reward socially responsible companies.

As already mentioned, this year’s Benchmark results are a tale of two cities. One of these cities has embraced the new reality. These companies are showing real leadership and not waiting for governments to regulate for mandatory human rights reporting – but are ahead of the curve to come. The other city lives in the realities of the past – where human rights are not seen to be the stuff of business at all or where legal counsels are advising their boards not to discuss information about risky things that sit outside of the direct control of the company.

The dichotomy illustrated very clearly in the 2018 results reminds us all that the business of business and human rights is far from finished. The threshold between “known” and “should have known” when it comes to human rights due diligence is far from level – if companies do not get some kind of reward to taking bold steps in reporting on these issues, why should they know and show at all? We

hope that ranking high in the Corporate Human Rights Benchmark is one small incentive, one that will grow over the years ahead. But the case for regulation to level the playing field is being made again and again at the United Nations, and the European Union and in an increasing number of domestic parliaments. Companies need to be able to compete on equal terms. My own view is that regulation will play an important role in shaping how scores on the Benchmark develop over the years ahead, and especially how those businesses not in the Global 500 largest publically listed companies behave.

And finally a word on the UN Sustainable Development Goals. The Corporate Human Rights Benchmark is a proud founding member of the World Benchmarking Alliance. Over the year ahead, the aim is to look for increasing alignment between our benchmark and a cluster of others under the umbrella of the SDGs. The world cannot afford many different benchmarks with competing or uncoordinated approaches. Alignment is essential and will also increase the leverage of business and human rights on the broader sustainability agenda.

However, we do not assume that this will happen through osmosis alone. Human rights are everywhere within the SDGs but nowhere specifically. The UN Secretary General has reminded us that the SDGs are weak when it comes to due diligence, and back in 2015 Amina Mohammed herself referred to accountability in relationship to public private partnerships under the SDGs as “unfinished business”. If we truly are to “leave no one behind” by 2030, then human rights must be central to the SDGs, and human rights due diligence must be central to the way that any business engages with and seeks to support implementation of the SDGs. Watching the session on the SDGs during the recent Future Investment Initiative conference in Saudi Arabia (the so-called ‘Davos in the Desert’) – from a distance that is – reminded me of the dangers of what we might call “SDG washing”.

Thank you for joining us today. It is a very proud day for us all and – in handing over – I would like to join the thanks to Dan, Camille and the team for their outstanding work over the past year. Dan, the floor is yours to talk us through the 2018 Benchmark results.