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UN GUIDING PRINCIPLES

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What is the current state of company reporting on human rights? Are they telling us what we need to know? Which companies and sectors are leaders and laggards? Find answers to these questions in our [research and analysis on the maturity of companies' current reporting on human rights](#).

The UN Guiding Principles on Business and Human Rights

On this page, we provide some background information about the global standard upon which the UNGP Reporting Framework is based: the 2011 UN Guiding Principles on Business and Human Rights. We also recommend [this webpage from Shift](#) as a primer on the UN Guiding Principles, which includes a short video. To see more about the specific relationship between the questions of the UNGP Reporting Framework and the UN Guiding Principles, [please click here for a graphical representation](#).

I. BUSINESS AND HUMAN RIGHTS

A. What are human rights?

**Sections A and B draw on [The Corporate Responsibility to Respect Human Rights: An Interpretive Guide](#), produced by the United Nations Office of the High Commissioner for Human Rights.*

The idea of human rights is as simple as it is powerful: that people have a right to be treated with dignity. Human rights are inherent in all human beings, whatever their nationality, place of residence,

sex, national or ethnic origin, colour, religion, language, or other status. Every individual is entitled to enjoy human rights without discrimination. These rights are all interrelated, interdependent and indivisible.

Human rights are often expressed and guaranteed by law, in the form of treaties, customary international law, general principles and other sources of international law. International human rights law lays down obligations on States to act in certain ways or to refrain from certain acts, in order to promote and protect the human rights and fundamental freedoms of individuals or groups.

The 1948 Universal Declaration of Human Rights was drawn up by representatives from many nations to prevent a recurrence of the atrocities of the Second World War and is the cornerstone of modern human rights law. At the World Conference on Human Rights in Vienna in 1993, all 171 participating countries reaffirmed their commitment to the aspirations expressed in that document.

The Universal Declaration is codified in international law through the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, both of 1966. Each of the Covenants has been ratified by over 150 States. Collectively, all three documents are known as the International Bill of Human Rights.

Regarding the particular human rights of workers, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work commits all its member States to four categories of principles and rights: freedom of association and the right to collective bargaining; the elimination of compulsory labour; the abolition of child labour; and the elimination of discrimination in respect of employment and occupation. These are covered by the eight core conventions of the International Labour Organization (ILO).

Together, these documents constitute the minimum reference point for what the Guiding Principles describe as internationally recognized human rights. For a full list of the human rights contained in the International Bill of Human Rights and the core ILO conventions, see Annex A.

B. The relevance of human rights to business

International human rights treaties generally do not impose direct legal obligations on business enterprises. It is the duty of States to translate their international human rights law obligations into domestic law and provide for their enforcement. Indeed, the laws of all States include various protections against human rights abuse by business, including labour laws, non-discrimination laws, health and safety laws, environmental laws and similar.

At the same time, national laws may not address all internationally recognized human rights, they may be weak, they may not apply to all people, and they may not be enforced by governments and the courts. The Guiding Principles make clear that where national laws fall below the standard of internationally recognized human rights, companies should respect the higher standard; and where national laws conflict with those standards, companies should seek ways to still honour the principles of those standards within the bounds of national law.

Internationally recognized human rights are, therefore, relevant for business beyond mere compliance with the law. The actions of business enterprises can affect people's enjoyment of their human rights either positively or negatively. Indeed, experience shows that enterprises can and do infringe human rights where they are not paying sufficient attention to this risk.

Enterprises can affect the human rights of their employees and contract workers, their customers, workers in their supply chains, communities around their operations and end users of their products

or services. They can have an impact – directly or indirectly – on virtually the entire spectrum of internationally recognized human rights. Annex A provides some examples.

In practice, some rights will be more relevant than others in particular industries and circumstances, and companies will pay more attention to them. But, in principle, any enterprise could cause or contribute to an adverse impact on any internationally recognized human right.

The Guiding Principles, therefore, make clear:

- The International Bill of Human Rights and the core ILO conventions provide the basic reference points for businesses in starting to understand what human rights are; how their own activities and business relationships may affect them; and how to ensure that they prevent or mitigate the risk of adverse impacts.
- Depending on the circumstances of their operations, companies may need to consider additional human rights standards in order to ensure that they respect the human rights of people who may be disadvantaged, marginalized or excluded from society and, therefore, particularly vulnerable to impacts on their human rights, such as children, women, indigenous peoples, people belonging to ethnic or other minorities, or persons with disabilities.

C. The benefits to business of respecting human rights

The benefits and opportunities for companies that are recognized as respecting human rights include:

- Improved risk management with less chance of business disruptions, public campaigns and criticism, litigation, reputational harm, and harm to employee retention and recruitment;
- Greater access to business opportunities with governments, financiers and business customers and buyers, who increasingly recognize the reduced risk to themselves when working with a company that effectively manages risks to human rights;
- Positive recognition, including from socially responsible investors and civil society organizations, of the company's improving human rights performance and its efforts to address challenges;
- Improved relationships with workers, communities and other stakeholders in societies, resulting in greater trust and a stronger social licence to operate;
- Improved ability to preserve their reputation when negative impacts occur, given better public understanding of their overall efforts to avoid such incidents;
- Improved ability to recruit the next generation of young leaders, who are increasingly focused on companies' performance in this area;
- A comparative advantage with a growing number of stock exchanges and public and private financial institutions scrutinizing companies' non-financial performance, including with regard to human rights.

II. THE UN GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

The Guiding Principles were unanimously endorsed by the UN Human Rights Council in June 2011, supported by governments from all regions of the world.

A. The three pillars of the UN Guiding Principles

One of the major and widely recognized contributions of the Guiding Principles has been to clearly set out the duties of States and the responsibilities of companies to ensure that businesses operate with respect for human rights.

The Guiding Principles are founded on three pillars:

- **The State duty to protect human rights** against abuse by third parties, including business, through appropriate policies, legislation, regulations and adjudication;
- **The corporate responsibility to respect human rights**, meaning to act with due diligence to avoid infringing on the rights of others and address adverse impacts with which they are involved;
- **The need for greater access to effective remedy**, both judicial and non-judicial, for victims of business-related human rights abuse.

Since their endorsement, the Guiding Principles have driven a convergence in standards on business and human rights across the international arena, reinforcing their position as the authoritative global standard on business and human rights.

B. The corporate responsibility to respect human rights

Human rights impacts linked to companies' activities and business relationships do not typically occur because companies intend or wish them to happen. On the contrary, most people working for companies expect and assume that they are not harming human rights as they go about their work. In practice, companies often become involved in human rights impacts because it requires attention and concerted action across the different parts of a company to ensure that they do not, and because the policies and processes to do so are often weak or absent.

The corporate responsibility to respect human rights, as set out in the second pillar of the Guiding Principles, is a standard of conduct for companies. The Guiding Principles make clear that companies should have in place:

- A statement of their policy commitment to respect human rights;
- A human rights due diligence process to:
 - assess their actual and potential human rights impacts;
 - integrate the findings and take action to prevent or mitigate potential impacts;
 - track their performance;
 - communicate their performance;
- Processes to provide or enable remedy to those harmed, in the event that the company causes or contributes to a negative impact.

KEY FEATURES OF THE CORPORATE RESPONSIBILITY TO RESPECT HUMAN RIGHTS

→ **The responsibility relates explicitly to the risks to human rights that can result from companies' activities and business relationships.** There is increasing evidence that risks to human rights frequently converge with risks to business, for example, through operational disruptions, reduced

productivity and challenges securing new business. However, risk to human rights is the starting point for the Guiding Principles and for this Reporting Framework.

→ **Identifying and addressing human rights risks effectively requires an understanding of the perspectives of those who may be impacted.** This means engaging wherever possible with those individuals whose human rights may be directly affected, or with their legitimate representatives. Where such direct engagement is not possible, companies may be able to gain insights into their perspectives through consultation with other stakeholders, including relevant independent experts, human rights defenders and others in civil society, and through reports and resources they have developed.

→ **The responsibility to respect human rights applies across the company's own activities and also to its business relationships.** Business relationships include the company's business partners, businesses in its value chain (including those that are one or more tiers removed) and any other business, government or other entity that is directly linked to its operations, products or services. The responsibility to respect therefore extends beyond impacts the company may cause or contribute to through its own activities and includes impacts that are linked to its operations, products or services without any cause or contribution on the company's part. However, the nature of the responsibility is different in each instance. For more explanation of these distinctions, see the commentary to UN Guiding Principle 19.

→ **The responsibility to respect human rights is distinct from a company's efforts to support or promote human rights.** Projects or other initiatives by companies to support or promote human rights can make a significant contribution to societies, but they are voluntary undertakings. By contrast, it is a baseline expectation of all companies, regardless of size, sector or operating context, that they at a minimum, avoid infringing on human rights, and that they address any harms with which they are involved. This responsibility cannot be offset by social investment or philanthropic activities.

C. The ongoing nature of implementation

Implementing the corporate responsibility to respect human rights takes time. Moreover, for many companies, the nature of human rights risks associated with their operations, products or services will change over time, as their operating contexts, activities and business relationships also change. Implementation is therefore an ongoing process.

The steps defined in the Guiding Principles empower companies to know and show that they are advancing adequately in their efforts to meet this responsibility. The expectation that companies should know and show how they are progressing in their human rights performance has reinforced calls for more and better corporate reporting in this regard.

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