



CONCEPT NOTE

Business relationships learning dialogue: Implementing the corporate responsibility to respect human rights beyond supply chain

Wednesday 18 November - 10am–11.20am

Room XII, Palais des Nations

Session Focus

The session will focus on the implementation of the corporate responsibility to respect human rights in diverse business relationships beyond the supply chain, including among others in mergers and acquisitions, joint ventures, equity investments, franchises, and with customers. The session will be structured around three key areas related to the integration of respect for human rights into business relationships: general approaches; leverage; and remedy.

Session Format

This session will consist of a moderated open dialogue among participants, with a selection of business leaders, civil society organisations and technical experts inputting and kicking-off discussions. As such there will be no formal speakers. Participants will include representatives from Total S.A., ABB, Flextronics, Bechtel, Microsoft, former members of Team Ruggie, ICAR and more.

Session Objectives

- **Provide an overview of the State of Play on human rights in business relationships**
- **Share good practice and practical approaches:** Provide an opportunity for peer learning on how companies are integrating respect for human rights into business relationships beyond their supply chains
- **Explore key challenges and opportunities:** including how to build and use leverage in business relationships; the role of contracting and legal leverage to ensuring respect for human rights with business partners; and how companies are thinking about access to remedy and business relationships
- **Looking forward:** Identifying areas needing further clarification, including any recommendations for how the UN Working Group on Business and Human Rights can advance the issue

Key discussion areas and questions

- **General approach to business relationships and respect for human rights**
 - *How do you approach the challenge of integrating human rights into different types of business relationships including where to start, how to identify the biggest risks and how to prioritise?*
- **Building and using leverage, and the role of contracts, in business relationships**
 - *What are some of the strategies for building and using leverage?*
 - *How can peers, industry collectively and third parties be used to effect change in the practices of business partners?*
 - *How are companies approaching capacity building on human rights with business partners?*
 - *How useful are contracts in providing legal leverage to effect change in the practices of business partners that impact human rights?*
- **Remedy and business relationships**

- *How are companies thinking about providing access to remedy in the context of business relationships?*
- *How do you determine your degree of involvement in an alleged human rights impact in the context of a business relationship?*

Background

The UN Guiding Principles on Business and Human Rights make clear that a company can be involved with adverse human rights impacts in different ways –through its own activities and through its business relationships. Examples of adverse human rights impacts associated with business relationships span a wide spectrum – from child labour impacts within suppliers’ operations, violent abuse by security forces, misuse of technology, violent appropriation of land by government partners, to exploitation of migrant workers by labour providers, amongst many others. Consequences have included civil society campaigns, media criticism, and legal claims that seek accountability and assignment of liability between business partners.

In 2012, at the first UN Annual Forum on Business and Human Rights, the [Institute for Human Rights and Business](#) (IHRB) and the [Global Business Initiative on Human Rights](#) (GBI) released a report entitled ‘[State of Play: The Corporate Responsibility to Respect Human Rights in Business Relationships](#)’. The State of Play provides a snapshot of how 14 multinational companies interviewed over 12 months address the human rights risks associated with their daily interactions with business partners throughout the relationship lifecycle – from negotiation to contracting to managing the relationship to renewing or terminating it. The report captures direct experiences and learning about business practices and operational challenges that arise – including within joint ventures, mergers and acquisitions, suppliers, customers, suppliers, franchisees and host governments

The State of Play report demonstrates that a growing number of companies recognise the business case for working with partners to better integrate responsible business practices and operationalise respect for human rights as a core part of the relationship. Potential benefits include: reduced operational disruption; efficiency gains; diminished reputational risks (of actual or perceived involvement in human rights abuse); improved access to capital and markets; and the avoidance of legal claims. As a result, some companies have taken action to establish socially sustainable business practices and value chains with their business partners in many sectors, and this is increasingly reflected in policy commitments, codes of conduct, and company assessments and audits.

There are however a number of areas where business could benefit from further clarification and sharing of practice – including how to determine degree of involvement (cause, contribute and directly linked) and what appropriate action looks like; how companies can build and use leverage to effect change in the practices of other businesses, including via contracts; and the role of providing or cooperating in remedy when abuses do occur (and are linked to the company via business relationships). This session will seek to explore these issues and draw out new company experiences and approaches to implementing the corporate responsibility to respect human rights in business relationships.

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