

BUSINESS ROUNDTABLE REPORT

HUMAN RIGHTS AND BUSINESS PRACTICES: UNDERSTANDING RESPONSIBILITIES

31 March 2011, São Paulo, Brazil



GLOBAL BUSINESS INITIATIVE
ON HUMAN RIGHTS



Centro Regional de Apoyo para
América Latina y el Caribe

INSTITUTO
ETHOS
DE EMPRESAS E RESPONSABILIDADE SOCIAL

LEVY & SALOMÃO
ADVOGADOS



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Oscar Vilhena, Founder and Co-Director, Conectas Human Rights

“Latin America has faced human rights challenges that involve many actors—governments, global businesses, and local business interests — and at various times, human rights and development have worked hand-in-hand. Both of these welcome significant community involvement, and a key role exists in this for business.”

Heloisa Covolan, Corporate Responsibility Director, Itaipu Binacional

“Large companies invest tremendous resources where they operate and that presence affects the community. Whether one looks at it from the perspective of pure social responsibility or as safeguarding an investment, corporations have an interest in building good and sustainable relationships with their workers and surrounding communities.”

John Morrison, Executive Director, Institute for Human Rights and Business

“We need a universal framework ... We need a global code – we need global coherence - we need a level playing field. In 10 years time I believe business and human rights will be where health and safety is now - it will be routine – part of the company’s DNA.”

Bob Corcoran, Vice President Corporate Citizenship, General Electric Company and President of the GE Foundation

“What we can do, and what we now must do with the Guiding Principles from John Ruggie, is understand that we do have a responsibility to respect human rights. We do have a responsibility to reach out to our fellow corporate citizens to help to advance that understanding and that respect of human rights.”

Claudia Falcão, Director of Human Resources and Sustainability, Grupo Libra

“In accordance with the nature of our business today, promotion of and respect for human rights are focused on health and safety, education, inclusion of women in our workforce and also the relationship with the communities impacted by our business.”

Gerald Pachoud, Special Advisor to the UN Special Representative on Business and Human Rights

“We know ‘what’ to do and “why” to do it but the most important thing now is the ‘how’. Try to work internally through business-to-business and business-to-supplier relationships and where other contracts exist. The Guiding Principles provide the roadmap but we will need to make the next step to implementation. We hope that this kind of event today will provide the opportunity to create partnerships and get extra feedback to provide the right means to move forward.”

Jorge Daniel Taillant, Strategic Advisor, Centre for Human Rights and Environment

“Human rights concerns affect entire communities. Modern communications including new technologies and variances of social networking are forcing a reconsideration of traditional corporate communication tools and strategies. Traditional corporate outreach to NGOs and to communities are no longer sufficient to properly address stakeholder concerns.”

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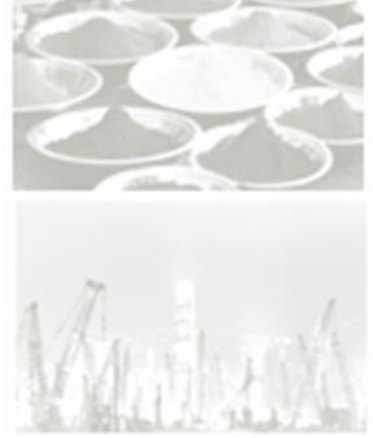
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INTRODUCTION

This report has been written to document key speeches, discussions, insights and outcomes from a one-day business-to-business Roundtable entitled “Human rights and business practices: understanding responsibilities” - held in São Paulo, Brazil on 31st March 2011. The Roundtable brought together experiences of international and Brazilian businesses and relevant experts. The discussions explored the challenges and benefits of adopting a human rights approach to business responsibilities in Brazil and Latin America generally, with a focus on the UN Protect, Respect, Remedy Framework and Guiding Principles. The objectives of the roundtable were to:

- **Demystify the agenda** - To clarify the link between human rights and business
- **Build the business case** - To discuss the business case for using human rights as a way to understand and implement corporate social responsibilities
- **Exchange experiences** - To exchange good practices, dilemmas and challenges for corporations (in Brazil and around the world) in implementing respect for rights in their operations
- **Identify value-addition** - To identify the possible contribution of the Brazilian (and wider Latin American) business community to the human rights and business agenda, and vice-versa
- **Develop ways forward** - To brainstorm a road-map for exploring human rights and business in Brazil

The event was attended by 120 people, including 85 participants from business and business associations, 20 from civil society, 10 from academic institutions, and 5 representatives from UN bodies. Speakers at the event included representatives from leading businesses including Natura Cosmetics, Itaipu Binacional, Cerrejón, General Electric Company and Shell.

Guidance on a selection of the tools and resources available to support businesses in the process of integrating human rights into their operations was disseminated to participants.

The Roundtable concluded with an announcement of a further business and human rights meeting to be convened on 19 April with a view to continuing the open dialogue and learning amongst the business community in Brazil and the wider region.

Regional Policy and Practice Context

In Brazil and the wider Latin American region Corporate Social Responsibility is increasingly viewed as a critical part of operating a successful business in tune with global aspirations, as well as responding to the needs of the communities in which they operate. Brazil’s incredible recovery from the financial crisis was discussed in January 2011 at the World Economic Forum in Davos. With 32 million people lifted out of poverty, there was a marked decreased in social and economic inequality and economic growth last year of 7.3% (levels not seen since the 1970s).¹

Despite major advances and increased political will, Brazil still faces a number of key human rights challenges which companies should be aware of to avoid violations or complicity in human rights abuses within their operations. The Danish Institute for Human Rights cites key areas of high human rights risks to

¹ WEF Davos Annual Meeting 2011 Brazil Outlook <http://www.youtube.com/watch?v=dehPtm4Jkwl>

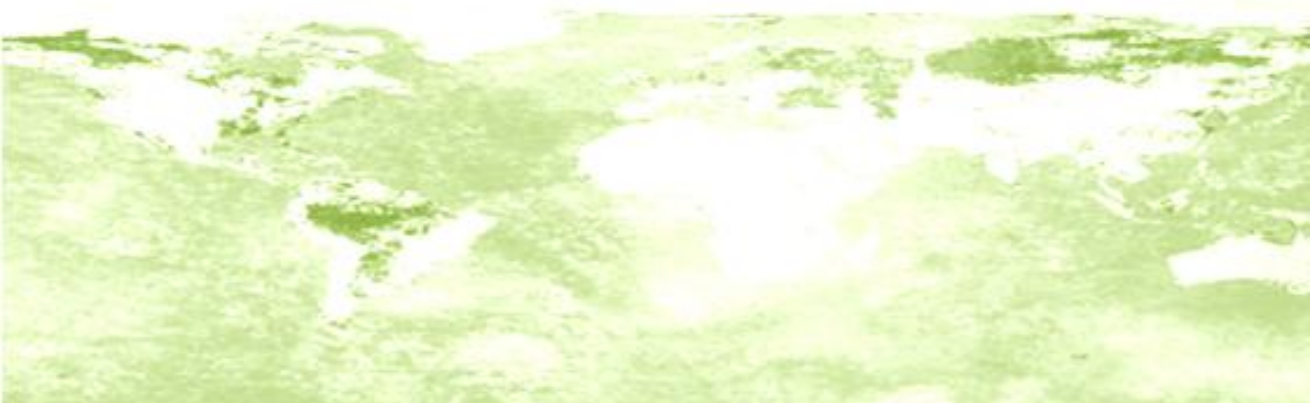
companies in operating in Brazil and many of these arose in discussions at the Roundtable. These include that companies operating in Brazil should be aware of discrimination on the grounds of race, gender, indigenous, homosexuality and HIV/Aids.

Other key issues were evident from discussion at the Roundtable. In spite of government efforts to legislate and set up initiatives to prevent slave and forced labour, it is estimated that there are still over 25,000 forced workers in Brazil². Land disputes are still common and Illegal encroachments and disputes over land have been known to lead to violence. Despite special legislation protecting the rights of indigenous communities, such rights are often violated without recourse to effective remedy or accountability on the part of the perpetrators. The presence of bribery and corruption was also noted, particularly in the civil service sector; anti-union discrimination (including instances of intimidation, violence and murder); lack of labour rights for informal sector workers; issues with access to health and education; and challenges regarding health and safety (particularly in plantations) all pose human rights risks to businesses operating in the country.

Global Context

In all countries around the world, an essential part of the individual and collective corporate responsibility journey is the interface with emerging international frameworks and approaches, such as the UN Global Compact, the Global Reporting Initiative and the Millennium Development Goals. Such interaction contributes to fostering a vision of an ethical, fair and sustainable globalization that works for all.

The past decade has seen increased consensus, clarity and commitment about human rights in a business context. This is due to many major corporations seeing the clear, long- term business case for respecting human rights, including improved risk management; improved compliance; efficiency gains; reduced operational disruption; sustained license to operate; new business models; and access to capital and markets. As well as escalating commitment to the UN Global Compact – where human and labour rights content is strong – companies all over the world have practices to share that relate to human rights (even if they are not labelled as such).



² http://www.ilo.org/global/about-the-ilo/press-and-media-centre/insight/WCMS_092663/lang--en/index.htm

THE UN PROTECT, RESPECT, REMEDY FRAMEWORK AND GUIDING PRINCIPLES

The work of the UN SRSG Professor John Ruggie has also been instrumental in building momentum in this area of corporate responsibility. The UN SRSG reports to the UN Human Rights Council which has endorsed a clear policy framework (outlined later in this report) which has now been endorsed by the Human Rights Council. They cover a range of issues including the role of government, State Owned Enterprises, the state-business nexus, multilateral institutions, due diligence and extra-territorial jurisdiction. The audience at the Roundtable heard an explanation from Professor Ruggie of the three pillars of the Protect, Respect and Remedy framework and Guiding Principles. The following quotes are taken from the video shown at the meeting³.

THE STATE DUTY TO PROTECT

“When States sign up to international human treaties they take on certain obligations. The obligations vary in the precise language depending on whether it is the Covenant on Civil and Political Rights or the Covenant on Economic, Social and Cultural Rights, or whether it’s an anti-discrimination Convention ... there is one common element in human rights law that all states sign up to - and that is that they will ensure the enjoyment of those rights of people within their jurisdiction or within their territory....Ensuring the enjoyment of rights means that States promise to protect people within their jurisdiction from abuse not only by the states themselves, but by third parties. That includes business. States know that they have this legal duty, but because the issue is relatively new they haven’t fully thought through what the implications are. We’ve worked with States to help think through what the implications are.”

THE CORPORATE RESPONSIBILITY TO RESPECT

“Currently under international human rights law companies don’t have legal duties. If there is one norm that enjoys universal acceptance even by companies themselves it is that companies have the responsibility to respect rights which means not interfering with the rights of others as they go about their business. Every voluntary initiative that companies have adopted, ILO conventions, OECD Guidelines for Multinational Enterprises, etc recognise and affirm that companies have a responsibility to respect human rights. So what we’ve done there is to say ‘ok we take you at your word that you respect human rights, but how do you know you respect human rights? Do you actually have systems in place that would allow you to demonstrate to yourselves let alone anyone else’.”

ACCESS TO REMEDY

“No system of prevention is perfect – things are going to go wrong: you need remedies for when they do and there we’ve examined voluntary grievance mechanisms that companies can set up themselves, particularly large footprint companies that have a big impact in communities....Why would they want to do that? Because most major human rights violations didn’t start out that way, we discovered – they start out as minor grievances that get ignored, and if a company had a mechanism, a place where the community could come with their grievances, they could head off the escalation of minor grievances into major confrontations that may lead to major human rights violations....But then of course, there’s the state side, and that has to do with judicial systems and access to judicial systems. The access part is horrendously difficult for the kinds of victims that you typically see in this area, who are either workers – where freedom of association is forbidden, they don’t have built-in grievance mechanisms, there’s no state labour inspector they can complain to; there ought to be the judicial or quasi-judicial mechanisms – or you’re talking about poor communities, indigenous communities, for example, who don’t have access to the kind of law firms that, in fact, I’ve been privileged to have access to.”³

³ Quotations from Professor John Ruggie. This video was shown with the kind permission of the International Bar Association and can be found at: <http://www.ibanet.org/Article/Detail.aspx?ArticleUid=422B3B1F-4C73-4500-B8E1-1D45EA992A71>

THEMES

THEME ONE - THE CONTEXT OF THE REGION

One participant commented that despite dramatic economic and social advances, *“America is the most unequal continent in the world – in Latin America that inequality is even more marked”*. This inequality, coupled with a lack of clear accountability structures and specific legislation addressing regulation in relation to corporations’ responsibilities on human rights, provides companies in the region with unique challenges as well as significant opportunities to make a positive impact in the process of addressing their human rights impacts

THEME TWO - THE BUSINESS CASE

Integrating human rights into business in Brazil and the wider region will assist economic and social sustainability in an area dealing with large-scale social challenges in a new economic era and assist in maintaining companies in the region as global players. Lessons from the financial crisis are still being ‘cautioned’ in companies around the world, and socially sustainable, stable economic growth is seen as *the* viable, solid path for sustained recovery and future prosperity. **In thi context**, there is a strong business case for considering human rights in business in the region. Corporate governance, policies, processes and reporting frameworks which takes account of human rights risks and impacts on the most vulnerable can help companies in their local, national and international markets meet expectations of customers, investors and other stakeholders¹. One speaker commented that *“Integrating human rights into our business has not been a high cost item for us. There is a greater cost to not addressing human rights.”*

THEME THREE – IMPLEMENTATION OF THE UN GUIDING PRINCIPLES

The Roundtable also addressed the implementation of the UN Protect, Respect, Remedy Framework and Guiding Principles for Human Rights and Business (the Guiding Principles) recently endorsed by the UN Human Rights Council¹. There exists a strong social responsibility movement in Brazil providing significant opportunity for companies to become key actors in the consolidation and implementation of this approach to responsible business and accountability. Combined with clarity on the responsibilities of companies to respect human rights now given by the Guiding Principles is that states also have duties when it comes to the human rights impacts of business.

THEME FOUR – HUMAN RIGHTS AND THE WIDER SUSTAINABILITY AGENDA

Companies at the roundtable explored how the Business and Human Rights agenda fits with other sustainability issues in an aim to ensure joined-up thinking on sustainability and therefore aid sustainable economic growth and stability moving forward. Participants discussed how human rights can become a positive and enabling addition to existing sustainability practices, for example where use of natural resources impacts marginalized groups or when it comes to questions of climate justice. The point was made that as Rio + 20 approaches, this agenda can be understood as addressing the *social sustainability* of business – with human rights being the approach to take to social issues arising.

THEME FIVE – TRANSPARENCY AND STAKERHOLDER DIALOGUE

The UN Special Representative on Human Rights and Business has stressed the need to move away from a culture of “*naming and shaming*” to one of “*knowing and showing*” – that is, companies should know *how* they are respecting human rights, and be able to demonstrate this. Companies should therefore consider the merits of increased transparency in dealings with all stakeholders and frank and open dialogue on the challenges of respecting human rights. At the sam time, although human rights issues are well understood within the region, the challenges unique to business may require further appreciation by stakeholders. Many participants reflected that the open dialogue and knowledge sharing of challenges and opportunities at the Roundtable provided a strong model for companies to undertake peer-learning on the subject and aid understanding of and co-operation with stakeholders. One NGO representative commented that they had “*never seen businesses sharing as openly as this. It is extremely valuable for all stakeholders to understand the issues facing business in respecting human rights*”.

THEME SIX – USING THE LANGUAGE OF HUMAN RIGHTS IN A BUSINESS CONTEXT

It was acknowledged that many companies in Brazil are already doing a great deal on human rights e.g. in relation to policies on Child Labour, but do not always express these policies in explicit human rights terms. It was acknowledged that the issue is complex and, for companies, the language of rights is often laden with negative connotations. The Roundtable participants discussed this further, including challenges in the use of the language of rights whilst being culturally and contextually aware. The Roundtable looked at approaching discussions with community leaders and other stakeholders, as well as how to speak to people within their own companies about what human rights means in the context of the company’s operations.



WELCOME PANEL

This session set the context and current state of play of the business and human rights agenda – globally, regionally and locally – and outlined the objectives of the Roundtable. Initial welcome and introductions were given by the conveners, represented by **Jorge Abrahao, President, Instituto Ethos; Oscar Vilhena, Founder and Co-director, Conectas Human Rights; Diana Chavez, Director, UN Global Compact Regional Support Centre, Latin America and the Caribbean; Carlos Portugal Gouvêa, Partner, Levy & Salomão Advogados; and Kathryn Dovey, Director, Global Business Initiative on Human Rights (GBI).**



Jorge Abrahao, President, Instituto Ethos

“At Ethos Institute we have developed a series of initiatives related to business and human rights themes, such as the pact to eradicate slave labour and the working group of business and human rights.”

Oscar Vilhena, Founder and Co-director, Conectas Human Rights

“Conectas is an organization that works globally supporting other organizations and initiatives to promote human rights in the southern hemisphere. In Brazil we are starting our efforts in business and human rights issues.”

Diana Chavez, Director, UN Global Compact Regional Support Centre, Latin America and the Caribbean

“The human rights theme is one of the major focuses of the Global Compact initiative in Latin America. Not only for the promotion of our principles 1 and 2, but, more broadly, we are mobilizing through different ways the signatory companies to act on this issue.”

Carlos Portugal Gouvêa, Partner, Levy & Salomão Advogados

“We believe that this is a groundbreaking event – the first large scale event about human rights and business in Brazil.”

Kathryn Dovey, Director, Global Business Initiative on Human Rights (GBI)

“Today is about creating a shared space for frank discussion. All participants are encouraged to be very practical in the examples that you share and ensure this debate remains routed in the realities of business challenges.”

SENIOR LEADERS PANEL

The purpose of this opening session was to hear from a variety of leading businesses about their approach to date towards human rights. The session featured a video of the Special Representative on Business and Human Rights, Professor John Ruggie (quoted below). Responses from the panellists were given, followed by closing remarks from **Gerald Pachoud, Special Advisor to Professor John Ruggie**.



The session following the video presentation was moderated by **Kathryn Dovey, Director, GBI** with contributions from **Carlos Franco, Manager of Social Standards and International Engagement, Cerrejón**; **Marcelo Cardoso, Senior Vice President of Organizational Development and Sustainability, Natura Cosmetics**; **Claudia Falcão, Director of Human Resources and Sustainability, Grupo Libra**; and **Bob Corcoran, Vice President Corporate Citizenship, General Electric Company**.



KEY MESSAGES:

- The Respect, Protect, Remedy Framework and the UN Guiding Principles have helped provide structure and clarity for this journey for those just starting out, as well as those that have already embarked on the journey.
- The UN Framework and Guiding Principles provide clear guidance to companies regarding what “respect for human rights” looks like *in practice*. In short companies must have a clear policy commitment to human rights; identify, assess, manage and account for human rights impacts; and provide for or cooperate in remediation when adverse impacts have occurred.
- It can be significantly more costly for business to fail to address human rights issues than to address them up front. Getting it right and doing it early supports the social license to operate which is more than just legal risks and even beyond traditional business risk.
- Companies, and their stakeholders, must recognize that addressing human rights is a journey and not a check-list activity. Many companies are in fact already on that journey with policies and practices that address human rights issues e.g. Health and Safety; Diversity and Community engagement.
- An important element of addressing human rights is to build awareness inside the company and it starts with clear leadership commitment and it is critical to involve multiple functions in the business in order to leverage existing management systems.

Gerald Pachoud, Special Advisor to the UN Special Representative on Business and Human Rights

“Today, we know ‘why’ business should respect human rights: it’s a question of having a better risk system; it’s about intrinsic corporate value and it’s also about long term value creation. We hope the Guiding Principles will provide a clearer roadmap on ‘what’ business should do. What does it mean for business to respect human rights? It means to clearly state that you want to respect human rights and that you can demonstrate you have the internal process in place to do so. It means to act with due diligence to try to prevent abuses. It is about mitigating if something goes wrong.”

“We know ‘what’ to do and “why” to do it but the most important thing now is the ‘how’. Try to work internally through business-to-business and business-to-supplier relationships and where other contracts exist. The Guiding Principles provide the roadmap but we will need to make the next step to implementation. We hope that this kind of event today will provide the opportunity to create partnerships and get extra feedback to provide the right means to move forward.”

Carlos Franco, Manager of Social Standards and International Engagement, Cerrejón

“In our company we develop training activities and relationships with our employees and affected communities to implement effective actions to promote and respect human rights among these stakeholders ... This should not be just a legal or risk topic – it goes beyond that ...”

Claudia Falcão, Director of Human Resources and Sustainability, Grupo Libra

“In accordance with the nature of our business today, promotion of and respect for human rights are focused on health and safety, education, inclusion of women in our workforce and also the relationship with the communities impacted by our business.”

Bob Corcoran, Vice President Corporate Citizenship, General Electric Company and President of the GE Foundation

“What we can do, and what we now must do with the Guiding Principles from John Ruggie, is understand that we do have a responsibility to respect human rights. We do have a responsibility to reach out to our fellow corporate citizens to help to advance that understanding and that respect of human rights. The challenge for all of us is to work to a higher set of principles, to understand we will never be perfect, but to know what we can do when we find we have made mistakes in order to correct and remedy those situations and reduce the likelihood of them happening again Integrating human rights into our business has not been a high cost item for us; there is greater cost to not addressing human rights. It has helped us to engage more thoroughly. Do not let people in your company put forward the argument that this will cost too much.”

LINKING HUMAN RIGHTS AND BUSINESS

The session focused on a number of key questions including: What is distinct about human rights in a business context? What is the business case for respecting human rights? Is the language of human rights a help or hindrance when engaging with stakeholders? How can human rights support other sustainability challenges?

The session was moderated by **Luis Fernando de Angulo, Sustainability and Human Rights Consultant at Gestion Responsable**, and included contributions from **Kiersten Regelin, Global Citizenship Program Manager, Hewlett-Packard Company**, **Heloisa Covolan, Corporate Responsibility Director, Itaipu Binacional** and **John Morrison, Executive Director, Institute for Human Rights and Business**.



Key messages

- Human rights is fundamentally about *dignity* and Business and Human Rights is about embedding this ethic of dignity and respect for all in everything that companies do. It is that simple and human rights standards are the only global code as we go about this. And they are universal as dignity and respect underpin cultures, religions and societies all over the world.
- The UN Guiding Principles have focused clearly on ensuring business does not have a negative impact on human rights. This must be the foundation. At the same time, businesses can have a positive impact on society and on human rights such as through healthcare, technological innovation, and empowering job opportunities.
- This is not only about regulation but also about voluntary commitment and actions by business. When multiple stakeholders support principles it can be a more rapid and expedient way to change practice. One example of this is the Voluntary Principles on Security and Human Rights in Colombia.
- Business and human rights fits into the wider sustainability agenda and there is no value in arguing which terms are more central or over-arching than others. As we approach Rio +20 there is an opportunity to explore how human rights and the environment can complement each other. One example from this past year has been the adoption of water as a human right by the United Nations – this opens up avenues to address water consumption and pollution by business from the perspective of justice and equity for communities.
- Relationships are central to corporations – among employees, with communities, with customers, with suppliers, with the government etc. When companies think about human rights and business they should consider it to be about sustainable relationships in all aspects of our work. This may involve disagreement and differences, but the best, and most productive relationships can sustain such things.

Luis Fernando de Angulo, Business and Sustainability and Human Rights Consultant at Gestion responsable

“Voluntary principles can be an effective tool not only for a corporation, but also for the society in which that business operates.”

Kiersten Regelin, Global Citizenship Program Manager, Hewlett-Packard Company

“HP believes that corporate success and social contribution are interdependent. We aim to enrich society, drive environmental sustainability and economic growth by giving people and businesses innovative ways to be more creative, productive, and successful by applying the power of information to societal challenges. As the largest technology company in the world, we’re in a unique position to use our global reach and scale to serve billions, improving the way people live, how businesses operate, and strengthening communities worldwide. Our approach to social responsibility is an integrated part of HP’s overall business strategy, helping us create long-term value that will benefit customers, shareholders and consumers. Consumers today are attuned to how companies act as global citizens, and they are voting with their dollars for companies that treat society, the environment and their employees with respect.”

Heloisa Covolan, Corporate Responsibility Director, Itaipu Binacional.

“Large companies invest tremendous resources where they operate and that presence affects the community. Whether one looks at it from the perspective of pure social responsibility or as safeguarding an investment, corporations have an interest in building good and sustainable relationships with their workers and surrounding communities.”

John Morrison, Executive Director, Institute for Human Rights and Business.

“We frequently hear concerns in this debate regarding cultural application – whether these values are imposed by western companies with a western agenda imposing them on other cultures. We hear a lot about protectionism and that European and American companies are now adding social costs to compete with Indian or Chinese companies in instances where they might be losing out competitively on labour costs. There are a few things which I feel defy this and which show this is truly a universal discussion. Respect and dignity sit beneath every single human rights convention and these are words that exist in every language and in every culture. Human rights are only the social codification of these. We need a universal framework for this. We need a global code – we need global coherence - we need a level playing field. In 10 years time I believe business and human rights will be where health and safety is now - it will be routine – part of the company’s DNA. Finally, although we talk about individual themes or challenges (supply chains, child labour, security etc), the more we can talk about business and human rights in a truly global sense, the more systemic our thinking will become.”

“The Brazilian Government, working with a group of NGOs and businesses, has created a “dirty list” of suppliers that have been found to use forced labour. This is an interesting and important example of all relevant parties working together to tackle a challenging issue and of course forced labour is an international crime and an issue that all companies must take very seriously. Here we can be talking about suppliers of suppliers of suppliers and this requires responses from multiple actors.”

This session provided participants with an outline of key human rights issues in Latin America. Presentations were given by **Jorge Daniel Taillant, Strategic Advisor, Centre for Human Rights and Environment** and **Oscar Vilhena, Founder and Co-director, Conectas Human Rights**.

KEY MESSAGES

- In the region, there is a lack of clear accountability structures in both government and business. This governance issue needs to be addressed alongside any conversations about human rights and business.
- Companies are rarely comfortable sitting in meetings and sharing practices and challenges with each peers and wider stakeholders. We need to build trust to support this to happen as multi-stakeholder approaches will be key to addressing the most complex and entrenched challenges.
- Potential complainants/victims of human rights abuses are often economically dependent on their alleged abusers so are reluctant to air grievances.
- The state needs to deliver on its duties to protect including giving clear direction to business via regulation and softer mechanisms.
- The global-local nature of civil society, enabled by technology, is driving the business case for companies to address human rights issues. This is a positive development though it does raise questions for business about alignment of international NGOs and campaigners and local communities, workers and others.

Jorge Daniel Taillant, Strategic Advisor, Centre for Human Rights and Environment



“Human rights concerns affect entire communities. Modern communications including new technologies and variances of social networking are forcing a reconsideration of traditional corporate communication tools and strategies. Traditional corporate outreach to NGOs and to communities are no longer sufficient to properly address stakeholder concerns.”

Oscar Vilhena, Founder and Co-Director, Conectas Human Rights

“Latin America has faced human rights challenges that involve many actors—governments, global businesses, and local business interests — and at various times, human rights and development have worked hand-in-hand. Both of these welcome significant community involvement, and a key role exists in this for business.”



THEMATIC BREAK-OUT GROUPS

Participants were invited to join one of four thematic sessions for a focused discussion with business representatives: Communities, Security and Land; Forced Labour and Child Labour in the Supply Chain; Basic Services and Human Rights (Water, Telecommunications, energy); and Freedom of Association and Collective Bargaining.

COMMUNITIES, SECURITY AND LAND

Led by Luis **Fernando de Angulo**, **Business and Sustainability and Human Rights Consultant at Gestion Responsable** with contributions from **Marie Capitaine**, **Total S.A.** and **Jorge Alfredo Rodriguez Patarroyo**, **Pacific Rubiales**. The group explored:



- How do you approach the issue of understanding human rights as a company operating in difficult or conflict affected countries? how do you approach cultural differences?
- How do you address governance issues e.g. with local tribal chiefs as contractors?
- The use of the World Bank/IFC Free, Prior and Informed Consent standards.
- The need for strategies to be put in place immediately for contractors and sub-contractors to be involved.
- Illegal armed groups and of community mistrust.
- The importance of partnerships between the company and the national government to address issues along with the need for transparent relationships and respect for tradition.
- There was acknowledgement that it is not the company's responsibility to provide state services.
- The importance of thorough due diligence in this area to reduce risks and anticipate challenges before they arise.

FORCED LABOUR AND CHILD LABOUR IN THE SUPPLY CHAIN

Led by **Caio Magri**, **Executive Manager Public Policies, Ethos Institute** with contributions from **Giuliana Ortega** from **C&A** and **Blávia Fuini** from **Petrobras**. The group explored:



- The practice of forced labor as being at the core of violations in the Brazilian labor market
- Initiatives for its eradication
- The National Pact for the Eradication of Forced Labor⁴ articulated by civil society organizations and the federal government, in partnership with the Ethos Institute.

BASIC SERVICES AND HUMAN RIGHTS (WATER, TELECOMMUNICATIONS, ENERGY)

⁴ www.pactonacional.com.br

Led by **John Morrison, Executive Director, Institute for Human Rights and Business** with contributions from **Bob Corcoran, General Electric Company, Fernando Marcato, Sabesp** and **Heloisa Covolan, Itaipu**. The group explored:

- The unique nature of businesses in this sector and their ability to permit or deny fundamental human rights.
- Opportunities for enhancing access to essential services and therefore to essential human rights.
- The group also looked at challenges of working with governments, including across different states and the importance of thorough due diligence in existing and proposed projects. This included where the company provides infrastructure or equipment in relation to essential services to another operator.



FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Led by **Juliana Gomes Ramalho Monteiro, Lawyer, Mattos Filho Advogados, Ana Amélia Mascarenhas Camargos, Catholic University São Paulo**, and **Ana Rita Picolli Gomes, Lawyer, Mattos Filho Advogados**. The group discussed:

- Freedom of association and collective bargaining in the context of Latin American business.
- It was noted that sound labour practices are often found to be align with sound business practices.
- The group also discussed the importance of legal protection, although it was acknowledged that business culture matters also.
- Transparency, on all sides, is important for workers, management, and regulators to have confidence in the system.

RESPECT FOR HUMAN RIGHTS IN PRACTICE

These breakout sessions focused on examples from companies who have approached the issue of integrating human rights within their own business and the challenges and opportunities they faced in practice. The sessions were facilitated by **Margaret Jungk, Director, Danish Institute for Human Rights, Sune, CEO, Global CSR, and Mark Hodge, Director, Global Business Initiative on Human Rights**. Company speakers presenting examples were **Marcela Velasquez, Analista Senior Credito y Capital de Trabajo, Telefonica; Ines Andrade, Coordinadora de Estándares Sociales, Cerrejón; Tony Khaw Siang, Director of Corporate Social and Environmental Responsibility, Flextronics; Kiersten Regelin, Social Innovation & Global Citizenship Program Manager, HP; Ernest Wong, APJ Supply Chain SER Program Manager, HP; and Mark Nordstrom, Senior Labor and Employment Counsel, General Electric Company**.



All participants were given a short overview of the (draft) Guiding Principles under the “Respect” pillar of the UN Framework for Business and Human Rights followed by an example of how a company has begun implementing such principles.

Guiding Principle 15 summarizes what is expected of companies as they go about meeting their responsibility to respect human rights and reads:

In order to meet their responsibility to respect human rights, business enterprises should have in place policies and processes appropriate to their size and circumstances, including:

- a) A policy commitment to meet their responsibility to respect human rights*
- b) A human rights due-diligence process to identify, prevent, mitigate and account for how they address their impacts on human rights*
- c) Processes to enable the remediation of any adverse human rights impacts they cause or to which they contribute.*

The following boxes offer a brief and simplified overview of policies, processes and practices that a few companies have in place. Please note that none of the examples provided here and shared at the Roundtable intend to suggest that these are “best practices”. Every example represents a step in the journey towards effective corporate respect for human rights.

KEY MESSAGES

- The language of human rights can be difficult for companies, but if you address the issue from a solid understanding of what is in the Universal Declaration of Human Rights then the fear can quickly be overcome.
- Most companies have a great deal in place to address human rights they simply don't label it has human rights e.g. health and safety, non-discrimination, security, privacy policies, community consultation. Many companies are now mapping these commitments (often in different functions) and building a clear, coherent statement of policy commitment.
- Integrating respect for all human rights into existing management systems and approaches to risk is a very common approach in businesses. This of course involves training and engagement with multiple functions to understand the difference between human rights and existing ethical or social performance questions.
- The UN Guiding Principles now ask companies to know and show how they are addressing potential or actual adverse impacts on human rights. This is a journey even where existing CSR systems are in place.
- Setting up and operating a grievance mechanism can have multiple benefits including feedback to the business from stakeholders before issues become inflated and unmanageable. The UN Guiding Principles provide clear principles about how to ensure grievance mechanisms are credible and aligned to the spirit of human rights.

PARTNER REFLECTIONS

This final session was moderated by Tabata Villares, Instituto Ethos with contributions from Ana Letícia Silva, Projects Coordinator, Instituto Ethos; Juana Kweitel, Global South Program Coordinator, Conectas Human Rights; Diana Chavez, Director, UN Global Compact Regional Support Centre, Latin America and the Caribbean; Maria Celina Arraes, Coordinator Strategic Planning and Capacity Development, UNDP Brazil, UN Global Compact Local Focal Point; and Amy Kirschenbaum, Country Representative, Inter-American Foundation.



Panellists spoke about their organisations and concrete steps that would be taken to advance the agenda in Brazil and the wider region. **Ethos announced that it would convene a follow-up business and human rights meeting on 19 April 2011 in São Paulo with a focus on next steps for business and human rights in Brazil**

Diana Chavez, Director, UN Global Compact Regional Support Centre, Latin America and the Caribbean

"The Regional Centre has reflected with Global Compact participants on business and human rights; rights are rights, not privileges, and companies in Latin America should share the responsibility of the rights that everyone is entitled to."

Amy Kirschenbaum, Country Representative, Inter-American Foundation

"The private sector has an ever-increasing role to play in the impact that its business operations have on communities."

Ana Letícia Silva, Projects coordinator, Instituto Ethos

"Some of the ways we have worked with companies to promote the human rights theme in Brazil is through the mobilization of them so they can use, in a practical approach, initiatives such as the work of Professor John Ruggie, the Brazilian agenda of decent work, ISO 26000 and other tools available to the private sector on this issue."

CONVENERS



GLOBAL BUSINESS INITIATIVE
ON HUMAN RIGHTS



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Federal Department of Foreign Affairs FDFA
Directorate of Political Affairs DP
Political Affairs Division IV, Human Security



The Global Business Initiative On Human Rights (GBI) is a unique business-led initiative focused on advancing human rights in a business context around the world. GBI currently has 14 corporate members from 11 industry sectors with representation from Latin America, Asia, Europe, North America, and the Middle East. Through core group work streams and business outreach activities GBI seeks to build a global community of business leaders sharing good practices, identifying barriers to corporate respect for human rights in diverse contexts and inputting into international policy developments. Our work plan is divided into two parallel tracks. First, Action-Learning around the UN Guiding Principles on Business and Human Rights; and second, Business Awareness and Capacity Building through events and workshops in emerging and developing markets. GBI works in collaboration with the UN Global Compact Office and is supported by the Swiss Government. For more information visit: www.global-business-initiative.org



FLEXTRONICS



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INSTITUTO
ETHOS
DE EMPRESAS E RESPONSABILIDADE SOCIAL

Instituto Ethos is a leading CSR organization in Brazil and a global reference on the theme. The mission of Ethos is to mobilize, encourage and help companies manage their business in a socially responsible way, making them partners in building a sustainable and fair society. Ethos was founded in 1998 and has over 1300 corporate members. For more information visit: www.ethos.org.br



Conectas is one of the leading human rights organizations in Brazil. It works to promote vulnerable groups' access to justice in Brazil, to strengthen the human rights infrastructures in the Global South and to empower civil society to use regional and international human rights mechanisms to achieve practical improvements on the ground. Conectas worked in partnership with the International Commission of Jurists in 2010 to produce their report on Brazil looking at access to justice for victims of human rights abuses involving corporations. For more information visit: www.conectas.org



Centro Regional de Apoyo para
América Latina y el Caribe

El Centro Regional para América Latina y el Caribe en apoyo del Pacto Mundial de las Naciones Unidas, The Global Compact Regional Support Center for Latin America and the Caribbean, is an initiative led and supported by a group of 15 companies and organizations, to strengthen the UN Global Compact and its Ten Principles as a strategy for economic and social development. From a perspective of the regional conditions and characteristics, its objectives focus in the generation of ideas and tools, competitiveness, local networks and social responsibility. Its members are Alpina, Andesco, Andi, Asur, Aviator, Bavaria, Cerrejón, Argos, Empresa de Energía De Bogotá, Endesa, Isa, Corona, Pacific Rubiales Energy, Sociedades Bolívar, and Telefónica, all of them, companies with operations in Latin America and the Caribbean, leaders in efforts to make this region, a reference in the implementation of the Ten Principles. For more information visit: www.unglobalcompact.org

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Levy & Salomão Advogados is a full-service business law firm that was founded in 1989. Its lawyers are known for their strong analytical skills, their creativity in devising legal solutions, and their results-oriented approach to serving clients. Levy & Salomão attorneys combine solid academic backgrounds with substantial experience not only in the practice of law, but also in finance, capital markets, government, and international business and accounting. The firm's client base is comprised primarily of transnational corporations and Brazilian corporate groups that require legal counsel on diverse aspects of law. Many of the firm's professionals have previously worked for law firms in the United States and in Europe, and several are licensed to practice law in foreign jurisdictions. For more information visit: www.levysalomao.com.br

