

The UN's annual gathering of companies and stakeholders on business and human rights has served as a significant platform for advancing the concepts as well as strengthening the practical response to human rights risk through business activity. Sancroft Senior Analyst **Isabella Stanbrook** reports her findings.

- **Geopolitical shifts and society:** Reflecting on the Brexit vote and Trump's election, John Ruggie, author of the UN Guiding Principles on Business and Human Rights (UNGPs), said in his speech at this year's UN Forum: 'that unless globalisation has strong social pillars it will be fragile and vulnerable'. Echoing Kofi Annan's words, he specifically appealed to the business community to step up and play its role in achieving a socially sustainable globalisation and maximise efforts to make globalisation work for all because, as Annan also said, if it doesn't, 'in the end it will work for none.'<sup>1</sup> Companies should therefore ensure that the human rights of those in particularly vulnerable situations are respected, including human rights defenders, indigenous peoples, migrant workers, trafficked persons, children and those facing discrimination for their gender, sexuality, and disability.
- **Salient human rights issues:** are 'the human rights at risk of the most severe negative impact through [a] company's activities and business relationships'<sup>2</sup>. As companies have begun to engage with the [UNGPs](#), and the [UN Guiding Principles Reporting Framework](#), the topic of salient human rights risk - the risk to people, versus the risk to business - has become a growing topic of discussion. In undertaking assessments to identify and address their most important environmental, social and governance issues, companies must take care not to conflate the greatest risks to business with the greatest risks to people. Businesses wishing to identify their most significant human rights risks should consider salience as the first stage of their human rights due diligence.
- **The UNGPs and the Sustainable Development Goals (SDGs):** In September 2015, countries adopted a set of goals to end poverty, protect the planet, and ensure prosperity for all as part of a new [Sustainable Development Agenda](#). Each goal has specific targets to be achieved over the next 15 years, and human rights cut across all 17 of them. The achievement of the SDGs, which include decent work and economic growth and industry, innovation and infrastructure, will require the private sector to play a role in delivering or supporting the delivery of many of them. However exactly what this role will be is less clear and much work remains to be done to solidify and translate the SDGs into action by business. As a universally agreed framework, the UNGPs provide an obvious starting point for business to engage with the SDGs and ensure that they contribute to rather than undermine sustainable development.
- **Collaboration and leverage within companies, among companies and across stakeholder groups:** Collaboration within companies on business and human rights and other sustainability issues is on the rise. Corporate Responsibility departments are less isolated than they once were, engaging with other parts of the business, including at CEO and Board level. Legislation such as the UK Modern Slavery Act 2015 has served to catalyse this change. The best statements are those that show action and clear cross-departmental collaboration.

There has also been increased collaboration among businesses, with recognition of the power of collective action. For instance, the [Electronic Industry Citizenship Coalition](#) (EICC) is the world's largest industry coalition dedicated to electronics supply chain responsibility, addressing issues such as the sourcing of conflict-free minerals. It has more than 110 electronics companies with combined annual revenue of over \$4.75 trillion, and directly employs more than 6 million people. This Coalition has been able to exercise leverage in direct and indirect partnerships in a way that no single company could. There is also collaboration across stakeholder groups. [Action Collaboration Transformation](#) (ACT) is an initiative in which fashion brands, manufacturers and trade unions are working together for a living wage in garment supply chains. This

<sup>1</sup> <http://www.shiftproject.org/resources/viewpoints/globalization-sustainable-development-goals-business-respect-human-rights/>

<sup>2</sup> <http://www.ungpreporting.org/key-concepts/salient-human-rights-issues/>

leverage is important as even big brands, such as H&M and Primark, may only represent 5% of a factory's production.

- **Government and business:** Government continues to be the weakest link in the implementation of the UNGPs. In some countries around the world, the State is seen as taking a backseat while NGOs set the agenda and hold companies to account. Business have the opportunity to play a bigger role in this space and engage with governments about expectations such as a stable working environment and rule of law, and be more involved in National Action Plan consultations.

Conversely in other countries, the proliferation of legislation, especially around forced labour and modern slavery, continues. Since 2010, we have seen the passing of the California Transparency in Supply Chains Act, the UK Modern Slavery Act with 'transparency in supply chain provisions' and updates published to the US Federal Acquisition Regulation to strengthen protections against trafficking in persons in federal contracts. The EU Directive on Non-Financial Reporting and the ILO Forced Labour Protocol came into force in 2016, and France and Switzerland look set to follow suit and develop their own laws in this area.

## *How Sancroft can help*

Sancroft is a sustainability consultancy with offices in London and Washington D.C. We help some of the world's leading companies improve their environmental, ethical and social performance. Clients include The Coca-Cola Company, Primark, John Lewis Partnership, Hilton Worldwide, Nestle and Whitbread. As specialists in responsible sourcing and human rights, Sancroft is ideally placed to support businesses in developing and implementing a human rights strategy, including:

- Supply chain and risk mapping
- UN Guiding Principle alignment and reporting
- Internal capacity building
- Priority setting
- Policy development
- Due diligence system creation
- Reporting and training

Sancroft also offers advice on the design of ethical trading strategies, auditing programmes, root cause analysis, emergency response, remediation of critical issues and internal and external communications.

For further information please contact Isabella Stanbrook on [isabella.stanbrook@sancroft.com](mailto:isabella.stanbrook@sancroft.com) or 0207 960 7914