

# *CSR/Sustainability and Human Rights*

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# CSR/Sustainability And Human Rights

## *Presentation*

- 1. My view*
- 2. Practical suggestions on what to do – A Planetary Bargain*
- 3. Finally... CSR/Sustainability the way ahead*

## Panel III: Obligations and responsibilities of TNCs and other business enterprises with respect to human rights

Subtheme 1 – Examples of international instruments addressing obligations and responsibilities of private actors?

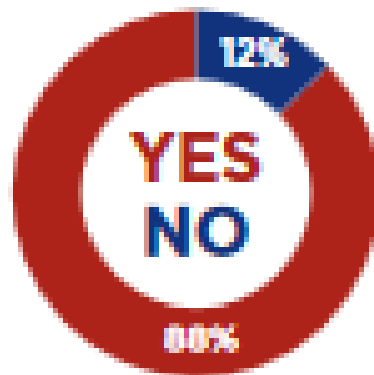
## Panel III: Obligations and responsibilities of TNCs and other business enterprises with respect to human rights

Key points:

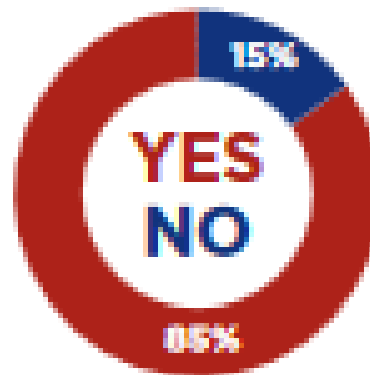
- CSR and Sustainability grown rapidly over past 20 years
- Little legislation regulating TNCs
- TNCs are generally against new legislation
- Key is that TNCs pay Taxes and are held Accountable

# From the Margins to the Mainstream?

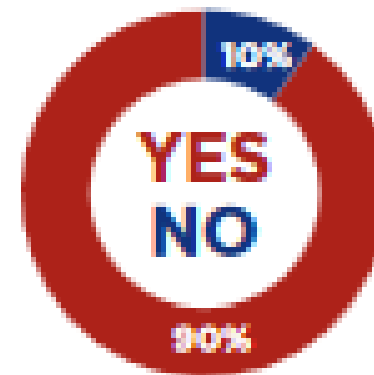
**Q: Is CSR becoming an increasingly important part of your business strategy?**



**NORTH AMERICA**



**EUROPE**



**ASIA PACIFIC**

Source: Ethical Corporation April 2016

## Panel III: Obligations and responsibilities of TNCs and other business enterprises with respect to human rights

My view:

- 20 years ago I suggested a Voluntary Planetary Bargain
- Voluntary because I wanted TNCs to adopt CSR and Sustainability Principles and not scare them away
- For most large TNCs we have been reasonably successful in that most have some aspect of CSR
- But must avoid hurting business through too much regulation e.g. next slide

# More regulation? Need Care not to Confuse!!



**NOTICE**  
**DOUBLE**  
**PARKING**  
**PROHIBITED**  
**AT ALL-TIMES**

**NO**  
**STOPPING**  
**ANYTIME**  
←

**TOW AWAY**  
**NO**  
**STOPPING**  
**7AM-9:30PM**  
**4PM-6:30PM**  
**MONDAY-FRIDAY**  
→  
**IF TOWED 727-5000**

**TOW AWAY**  
**NO PARKING**  
**LOADING ZONE**  
**FOR COMMERCIAL**  
**VEHICLES ONLY**  
**9:30AM-4PM**  
**MONDAY-FRIDAY**  
→  
**IF TOWED 727-5000**

**NO**  
**PARKING**  
**10:00 PM - 5:00 AM**  
**TUESDAY**  
←→  
**TOW AWAY ZONE**  
**EXCEPT HOLIDAYS**  
**STREET**  
**CLEANING**  
**IF TOWED 727-5000**

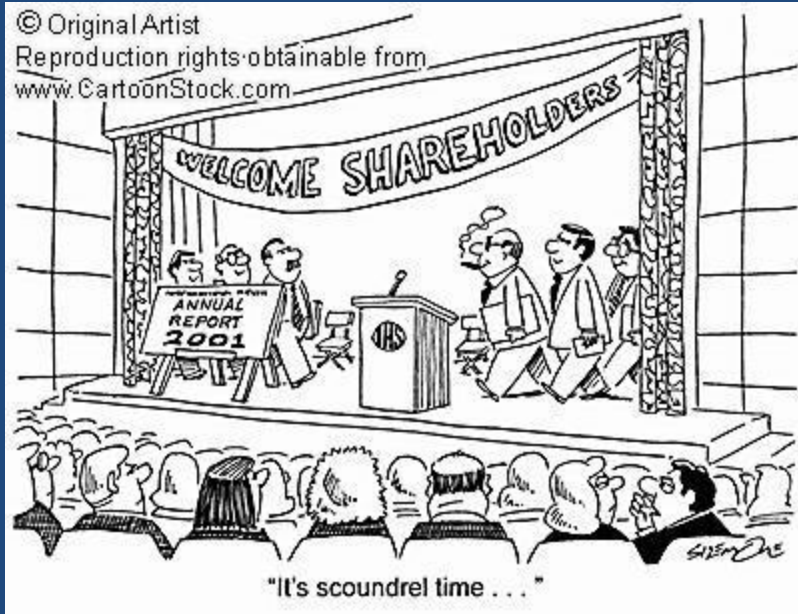
## Panel III: Obligations and responsibilities of TNCs and other business enterprises with respect to human rights

Today:

- I favour some level of regulation not as deep as SOX (Sarbanes Oxley) but at a level that helps business as much as respects human rights
- And I mean all business not simply TNCs
- But we must be careful not to hurt business through too much regulation (e.g. my friend's window)
- Another huge issue is corruption that affects human rights directly. My current view is that anti-corruption must be a bottom-up process



# Two Opposing Theories Of Organisational Behaviour



**Economic Theory of Firm**



**Stakeholder Theory of Firm**

# Hopkins CSR Model: Definition

1. Corporate Social Responsibility is a process that is concerned with treating the stakeholders of a company or institution ethically or in a responsible manner. 'Ethically or responsible' means treating **key stakeholders** in a manner deemed acceptable according to international norms.
2. **Social** includes economic, financial and environmental responsibility. Stakeholders exist both within a firm or institution and outside.
3. The wider aim of social responsibility is to create higher and higher standards of sustainable living, while preserving the profitability of the corporation or the integrity of the institution, for peoples both within and outside these entities. The **key** is how profits are made, not the pursuit of profits at any cost.
4. CSR is a process to achieve **sustainable development** in societies. Both CSR and Sustainability address multi-stakeholders and their materiality.
5. **Corporate** means any body private, public or NGO [our definition applies neatly outside the traditional private corporate sphere]
6. Longer term '**big**' **issues** are key to prevent collapse and are the responsibility of institutions

*Original Source: Michael Hopkins (MHCi): A Planetary Bargain: Corporate Social Responsibility Comes of Age (Macmillan, 1998; updated and re-printed by Earthscan, 2003 and re-printed by Routledge, UK, 2010). Updated Oct 2 2014. See:*

[www.mhcinternational.com](http://www.mhcinternational.com) and [www.csrfl.com](http://www.csrfl.com)

## Panel III: Obligations and responsibilities of TNCs and other business enterprises with respect to human rights

Subtheme 1 – Examples of international instruments addressing obligations and responsibilities of private actors?

# A Planetary Bargain

[apologies small type next slides]

## A. What can people and governments expect of large transnational companies in the future?

A list of items could look something like:

- profitability;
- adherence to an appropriate set of Good Corporate Governance Principles (e.g. OECD/ILO Principles of Corporate Governance)
- tax contributions;
- long-term view of investment and profitability;
- environmentally friendly production process;
- socially responsible products;
- code of ethics of company operations
- comprehensive CSR policy:
  - does the company have a social responsibility policy?
  - is the policy backed by suitable resources and organisation (for example does it perform a social audit)?
  - does the company have a management system for social responsibility?
  - what is the social responsibility network in the company?
  - is there someone to implement the policy?
  - what social responsibility communications does the company have?
  - what social responsibility training does the company have?
- local community support where plants are located;
- abstention from corrupt practices;
- Refrain from transfer pricing;
- good conditions of work for employees;
- high proportion of workforce in regular protected employment;
- internally flexible labour practices;
- non-discriminatory recruitment and advancement policy;
- skill upgrading programmes conducted either internally or externally;
- labour involved in discussions of structural change, plant relocations and closures through labour–  
management councils;

## **B. What should business expect from Government in return for greater social responsibility?**

What business should expect from government is a large subject, and so what I have done here is simply to list the main concerns of what the private sector could expect from governments in a planetary bargain:

### **National Level**

- stable environment that ensures open markets;
- secure legal framework and fully functioning enforcement institutions;
- non-corrupt, competent, streamlined administrative framework;
- clear investment policy and plans;
- incentives for new (foreign) investment and for domestic investment and savings;
- repatriation of profits and foreign currency;
- flexible labour code;
- democratic practices;
- no forced labour;
- clearly defined rules of operation;
- one-stop information bureau for new and existing investors;
- independent tribunal to adjudicate on disputes;
- fair local banking practices;
- training institutes linked to the needs of the private sector.
- tax incentives for corporations practising CSR policies

### **International Level**

- fair and open rules for trading;
- independent international body to arbitrate disputes;
- accurate and available information on investment possibilities, impediments to conducting business, best practices to finance social development.

## Examples of international instruments addressing obligations and responsibilities of private actors?

- There are many
- But, one cannot legislate for everything
- Perhaps the Golden Rule could be invoked:

*Treat others the same way you want them to treat you.*

- But avoid 35,000 pages of Sarbanes-Oxley

## Examples of international instruments addressing obligations and responsibilities of private actors?

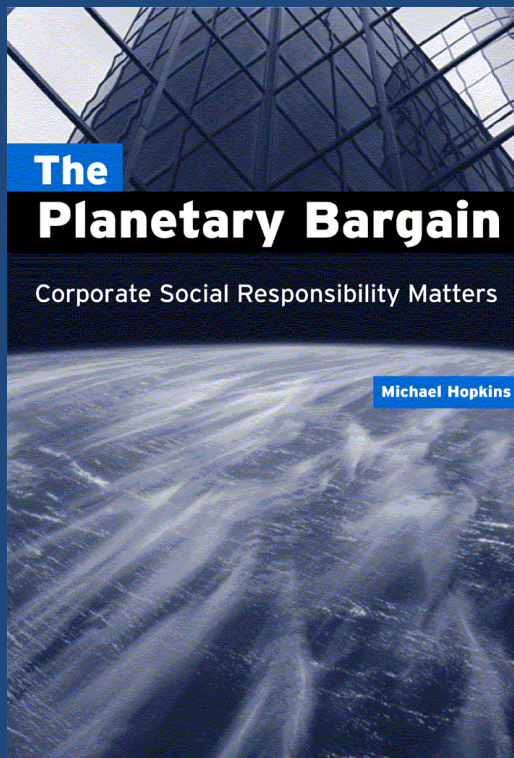
EU continues to believe that it is important to ensure that the scope of the discussion and the Programme of Work are not limited to transnational corporations. The European Union also reiterates that the Programme of Work of the second session of the Intergovernmental Working Group should include a dedicated agenda Item to reaffirm the commitment by all States to implementing the UN Guiding Principles on Business and Human Rights. Also, for a comprehensive discussion on business and human rights, it remains important that all relevant stakeholders, including NGOs, trade unions and the business community, are given a chance to contribute their views and expertise. The EU position is also supported by a range of countries across different regions. [statement to this conference Oct 2016]

# Corporate Social Responsibility (CSR)

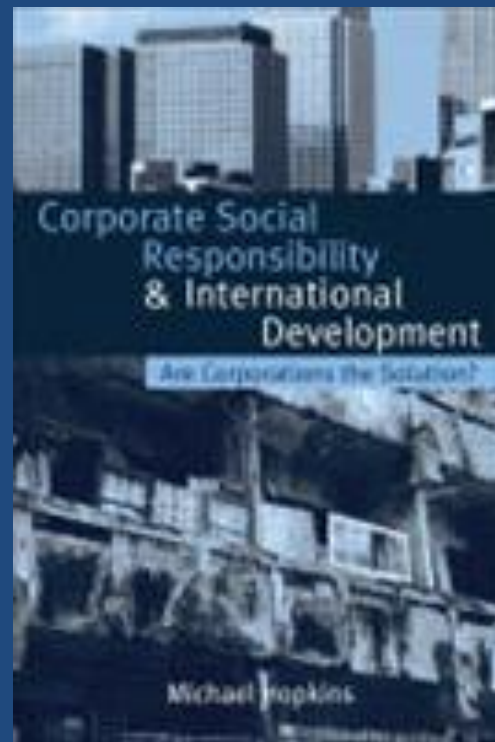
CSR = Treating Key Stakeholders Responsibly



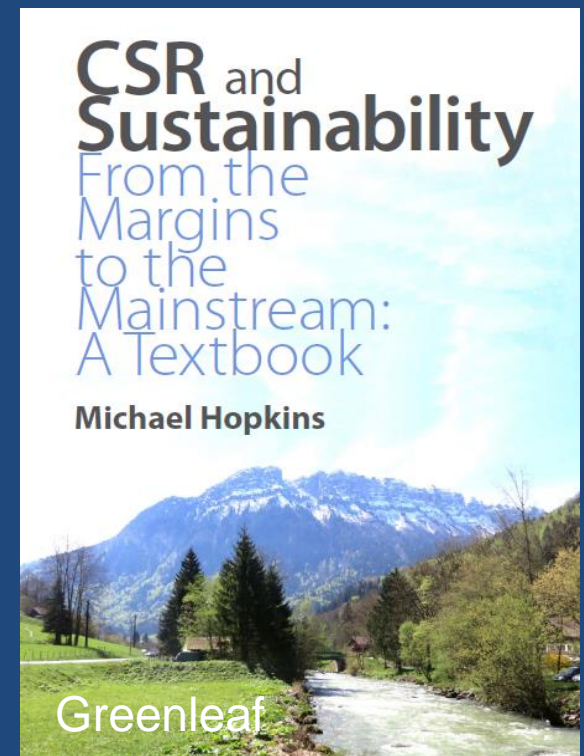
## Books on CSR by Michael Hopkins



1997



2007



2016

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# Thankyou

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