
Human rights in a globalised world: why do companies need to pay more attention?

Rating the human rights commitments, risk management and reporting of 4,500 companies listed worldwide.

As stakeholders from around the world gather in Geneva for the 2018 UN Forum on Business and Human Rights, a new Vigeo Eiris study of 4,585 companies headquartered in 60 countries reveals very limited overall progress in the way business is fulfilling its human rights obligations.

Seventy years after the Universal Declaration on Human Rights and seven years after the global endorsement of the United Nations Guiding Principles on Business and Human Rights, the issue remains an under-developed area of corporate social responsibility across different business industries and geographies.

Companies are generally non-communicative on human rights issues, with less than 5% of those rated by Vigeo Eiris displaying comprehensive human rights commitments that include explicit objectives and management oversight. European companies clearly lead in this area, yet even those that do report fail to include details on the existence and content of their due diligence.

Our ratings reveal strong discrepancies in the topics, principles and objectives on which companies choose to commit: for example, the right to privacy, non-discrimination and health and safety in the work place and supply chain are among the human rights topics most frequently addressed by companies, whilst freedom of expression and explicit support for ILO Conventions are among the least commonly addressed in terms of means, processes and indicators. Discrepancies also exist between what companies commit to do and the processes they implement.

Vigeo Eiris' research reveals that most controversies relating to human rights breaches occur in North America and Europe: a finding representative of the strong legal system & rule of law, freedom of expression and access to justice available in democratic states. Although human rights breaches are certainly more common in other parts of the world, they are more likely to remain undisclosed due to weaknesses in freedom of association, the limited ability of civil society to intervene and the lack of stringent requirements from investors.

Yet respecting universal human rights can be both a trigger and means for companies to develop strategies and processes that will help transform their footprint on the planet and the people affected by their activities. And despite the apparent lack of corporate engagement on human rights issues,

Vigeo Eiris’ ratings also reveal some top performing companies displaying highly relevant commitments on behalf of the corporation and the interests of its’ stakeholders, that are supported by integrated and efficient means and processes including transparent and accessible due diligence and remediation systems. Vigeo Eiris provides lists of these top performers, both overall and by topic.

By rating companies on their willingness and capacity to respect human rights, Vigeo Eiris enables both investors and corporations to meet their fiduciary duty to promote social sustainability. Corporate boards and stakeholders can also play a crucial role in raising the profile of human rights concerns, aligning them with more typically advanced reporting topics such as governance and climate change.

Companies have independent responsibility to respect human rights and remedy the potential negative impacts of their products and services on people and society, while States have ultimate responsibility to protect human rights and to implement legislative frameworks that promote economic and financial incentives and control and safeguard the protection of universal human rights.

Fouad Benseddik, Vigeo Eiris’ Director of Methods and Institutional Affairs stated: ‘As investors increasingly wish to integrate ESG factors into their decision-making processes, and public opinion and attitude towards companies’ human rights responsibilities is likely to become more demanding, companies should move towards a more proactive relationship with human rights, and demonstrate their intention to make globalisation sustainable, profitable and desirable for all stakeholders.’

[Download the key findings of the study](#)

For more information and ask for the full study:

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About Vigeo Eiris

Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organisations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organisations.

Vigeo Eiris offers a wide range of services:

- **For investors:** decision-making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more)
- **For companies & organisations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris methodology and rating services adhere to the highest quality standards.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Boston, Brussels, Casablanca, Hong Kong, Milan, Montreal, Rabat, Santiago and Stockholm.

The Vigeo Eiris Global Network, comprising 6 exclusive research partners, is present in Australia, Brazil, Germany, Israel, Japan and Spain.

For more information: www.vigeo-eiris.com