

PREPARING TO USE THIS RESOURCE

INTRODUCTION

Business increasingly recognises the importance of human rights. Over 5,000 companies across 130 countries are signatories to the UN Global Compact and have committed themselves to the Global Compact's ten principles,¹ including six that address human rights and labour standards. A 2006 survey of Global Fortune 500 companies found that nine out of ten companies responding to the survey reported having human rights principles or management practices in place.² More than half of the FTSE 100 listed companies have adopted a human rights policy. Meanwhile, the process of clarifying and operationalising business and human rights is being led by the United Nations Secretary General's Special Representative on Business and Human Rights (the Special Representative).³

The purpose of this publication is to contribute to this process of clarification by explaining universally recognised human rights in a way that makes sense to business. The publication also aims to illustrate, through the use of case studies and actions, how human rights are relevant in a corporate context and how human rights issues can be managed. The 'Navigating the Guide' card is provided to help managers make the best use of this reference publication.

This introduction briefly outlines the concept of 'human rights' and the main categories of rights, as well as the relationship between corporations and human rights. The aim is to give company managers a fuller understanding of what their stakeholders – including employees, shareholders, customers, local communities, civil society, governments and business partners – increasingly expect of them, both in terms of strategic policy and implementation at the local level.

1 The UN Global Compact Ten Principles are reproduced in the Appendix.
2 The 2006 survey was conducted as part of the mandate of the UN Special Representative on Business and Human Rights and is contained in A/HRC/4/2006/35/Add.3, available at http://www2.ohchr.org/english/issues/trans_corporations/index.htm.
3 The Mandate of the UN Special Representative is discussed at pages xii-xiii.

“The benefits of our human rights programme have so far been about reputation and the assurance process. But they are going to become more and more about the business growth agenda and commercial opportunity as well, giving us access to new markets, new suppliers and, in particular, new consumers.”

Neil Makin, Cadbury-Schweppes

Business and human rights

Business is a major contributor to economic growth around the world and, as an essential vehicle for human progress, it helps underpin global human rights. An increasing number of companies are demonstrating their respect for human rights by working to embed international human rights standards within their core business practices. Many companies also make a substantive contribution by supporting projects that foster human rights, such as the enhancement of local economic development, schemes to distribute essential drugs, or programmes that provide training in democracy and the rule of law.

Governments have the obligation to respect, protect and fulfil human rights, including protecting individuals and communities from human rights violations by third parties. But in June 2008 the United Nations Human Rights Council emphasised for the first time that corporations have a responsibility to respect human rights. Corporations, non-governmental organisations (NGOs), trade unions, and indeed private individuals, often act in ways that can affect the rights of others. For example an employer that discriminates against an employee on certain grounds, such as race or gender, harms the individual's right to freedom from discrimination. As reflected in the statement from the Human Rights Council, there is an increasing public expectation for companies to respect human rights and also to strengthen their positive human rights contribution.

Good human rights practice may bring commercial rewards. There is growing evidence that good practice: enhances reputation, resulting in improved staff morale, leading to higher motivation, productivity, and the ability to attract and retain the best employees; strengthens the licence to operate, giving improved access to new markets, consumers and investors; creates more stable operating environments; and promotes better community relations. Conversely, companies implicated in human rights scandals often see their reputations and brand images suffer, resulting in the loss of share value, and face increased security and insurance costs, as well as expensive lawsuits, such as those pursued under the US Alien Tort Claims Act, and consumer boycotts. The price of getting it wrong cannot be underestimated.⁴

⁴ See *Human Rights – It is your Business: The Case for Corporate Engagement* (IBLF 2005).

Companies that adopt explicit human rights policies along with mechanisms for their implementation and reporting are better prepared to prevent human rights abuses and to deal effectively with any allegations of human rights wrongdoing that may arise. Providing specific human rights training to support operational managers to become more familiar with the language and realities of human rights, the company's human rights policy commitments, and the potential for human rights to impact on day-to-day business decision-making, is increasingly a feature of effective business operations. Such efforts also help a business to identify business opportunities to support human rights. It is hoped that this publication will contribute to specific human rights due diligence processes.

What are human rights?

Human rights are basic standards aimed at securing dignity and equality for all. International human rights laws constitute the most universally accepted standards for such treatment, but there is an intuitive aspect to the respecting of human rights that goes beyond laws and conventions. Put simply, what feels wrong is in all likelihood wrong.

International consensus has been achieved on what constitutes human rights in the form of the 1948 Universal Declaration of Human Rights (UDHR). The Universal Declaration was drawn up by representatives from many nations to prevent a recurrence of the World War II era atrocities and is the cornerstone of modern human rights law. At the World Conference on Human Rights in Vienna in 1993, all 171 participating countries reaffirmed their commitment to the aspirations expressed in the Declaration. Companies increasingly express support for its principles in their human rights policies.⁵

⁵ According to a survey of Fortune Global 500 companies conducted on behalf of the UN Special Representative on Business and Human Rights and published in 2006, over 60% of respondents referenced the Universal Declaration within their human rights policies. See <http://www.reports-and-materials.org/Ruggie-survey-Fortune-Global-500.pdf>.

“Whatever other differences may exist in the world, starting with the 1948 Universal Declaration, human rights are the only internationally agreed expression of the entitlements that each and every one of us has simply because we are human beings. Thus, securing respect for human rights must be a central aim of governance at all levels, from the local to the global, and in the private sector no less than the public.”

Professor John Ruggie, UN Secretary-General’s Special Representative on Business and Human Rights, *Interim Report*, February 2006.

The Universal Declaration is codified in international law through two 1966 treaties: the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR), each of which has been ratified by over 150 States (over three-quarters of all nations). It is recognised that both sets of rights are indivisible and interdependent, and equally important. Collectively the three documents are known as the ‘the International Bill of Rights’. The two Covenants form the basis of this publication.

International human rights law imposes obligations on States to respect, protect and fulfil human rights. States are required to protect individuals against human rights abuses by third parties, including by corporations. This is usually done through domestic laws. Thus, while most international human rights standards are not directly legally binding on companies, businesses can infringe human rights by breaching the domestic laws in place to protect those rights.

The International Covenant on Civil and Political Rights (pages 1–83)

Civil and political rights encompass rights to enjoy physical and spiritual freedom, fair treatment, and to participate meaningfully in the political process. They include the right to life, freedom from torture, freedom from slavery, the right to privacy, freedom from arbitrary detention, the right to a fair trial, freedom of religion, freedom of expression and assembly, as well as the rights of minorities and freedom from discrimination.

States that ratify this Covenant are obliged to respect and protect the rights it articulates and, without discrimination, ensure their enjoyment by all individuals within their territory and under their jurisdiction. Corporations have a responsibility to respect these rights.

The International Covenant on Economic Social and Cultural Rights (Pages 85–137)

Economic, social and cultural rights comprise employment rights, such as the right to a fair wage, the right to safe and healthy working conditions, and the right to form and join trade unions, and social rights such as the right to education, the right to an adequate standard of health, and adequate standard of living, as well as the right to participate in cultural life and freedom from discrimination in relation to the enjoyment of the Covenant's rights.

Economic, social and cultural rights largely relate to “freedom from want”.^{*} States that ratify this Covenant are obliged to take steps towards the progressive realisation of the relevant rights, subject to the availability of resources. Thus, it is recognised that States may not be able to achieve the full realisation of the rights in this Covenant immediately, especially if they are poor. However, States have immediate obligations to take steps towards the full realisation of the rights, to the extent possible within their respective resource constraints. They also have immediate obligations to guarantee that

economic, social and cultural rights are exercised without discrimination. Moreover, measures that reduce the existing level of enjoyment of a right, or a failure to ensure minimum essential elements of each right, breach the Covenant, unless a State can prove that such measures are dictated by a genuine lack of resources.

Companies are expected to respect economic and social rights, but that does not mean that they are expected to solve the problems of world poverty. Instead, they are expected to ensure that they are not interfering with the enjoyment of these rights, and, if a company finds that it has interfered with these rights, it should take remedial action. Likewise, when companies are asked to support these rights it means that they are being called on to make a meaningful contribution, for example by supporting human rights-related initiatives in the communities where they operate, rather than to take over State responsibilities to ensure the fulfilment, for example, of the right to health.

Limits to Rights and Striking Balances

Few human rights are absolute. Some rights, such as the right to be free from torture, cannot be compromised under any circumstances. However, most civil and political rights can be restricted – although not arbitrarily – by States in exceptional circumstances, such as when limitations are necessary to protect national security, public order, public health, public morals or the rights of others. The fulfilment by States of economic, social and cultural rights is, meanwhile, subject to available resources.

“Often some sort of balance must be struck between competing rights, values or interests. For example, freedom of information has to be balanced against privacy and confidentiality, while social and economic rights are subject to resource availability, compelling a State to make choices between competing claims on the public purse.”

Paul Hunt, UN Special Rapporteur on the Right to Health^{**}

* President Franklin D. Roosevelt coined the expression in his “Four Freedoms” speech of 6 January 1941.

** Presentation by Professor Paul Hunt, UN Special Rapporteur on the Right to Health, Novartis International Symposium, Basel, Switzerland, 2 December 2004.

“The rights of transnational firms – their ability to operate and expand globally – have increased greatly over the past generation as a result of trade agreements, bilateral investment treaties, and domestic liberalisation ... In light of this transformation in the institutional features of the world economy, it is hardly surprising that the transnational corporate sector – and by extension the entire universe of business – has attracted increased attention by other social actors, including civil society and States themselves.”

Professor John Ruggie, UN Secretary-General's Special Representative on Business and Human Rights, *Interim Report*, February 2006.

Expectations of business

Much of the debate regarding human rights and business has focused on examples where multinational corporations have been accused of being directly responsible for, or being complicit in, human rights abuses. Multinationals come under particular scrutiny because of their perceived power and the reach of their global supply networks. Legitimate concerns are raised over the extent to which weak or impoverished governments may be willing or able to hold corporations to account for any wrongdoing. In short, should human rights abuses occur, there is a concern as to how corporate accountability can best be ensured.

Stakeholder anxieties may also surface when a company enters into a commercial partnership with a government that has a poor human rights record. The fear is that such governments may protect their investment interests at the expense of the rights of their people, for example by violating the right to protest peacefully against company operations, or by infringing the land rights of indigenous peoples to make way for commercial activities. In poor or inadequately governed countries, there is a growing expectation that companies should take steps to mitigate the worst effects of weak governance.

Companies that assume traditional government functions (e.g. the provision of infrastructure and utilities, or the running of detention or secure facilities) may face a greater level of scrutiny with regard to their human rights performance, and may be exposed to a greater risk of legal liability in the case of a breach of human rights laws.

Multinational companies can potentially be held liable in their home countries for human rights abuses perpetrated in host countries. The highest-profile cases have been brought under the Alien Tort Claims Act in the United States. Cases alleging corporate human rights wrongdoing have also been launched in the courts of other countries including the UK, Canada and Australia. Companies will benefit from a greater understanding of fundamental human rights principles to help them avoid the possibility of such litigation.

International standards for corporate responsibility on human rights

Various guidelines have been developed at the international level on the human rights responsibilities of companies. These include:

- The OECD Guidelines for Multinational Enterprises (1976, revised in 2000)
- The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977, revised in 2000)
- The United Nations Global Compact (2000)
- The International Finance Corporation Performance Standards on Social and Environmental Sustainability (2006).⁶

These standards are not legally binding on companies, but all provide frameworks for appropriate company behaviour, that are used either as tools by companies themselves to guide performance, or as a benchmark by which governments and other stakeholders may hold companies to account.⁷

A number of voluntary initiatives have also been established, many of them are industry-specific and involve a blend of participation from business, governments, NGOs, trade unions and industry associations. Some involve collective action among industry peers in order to maximise influence and shared learning. Each requires corporate participants to adhere to, or be guided by, a set of human rights-related principles. They include (in chronological order):

- Ethical Trading Initiative (1998)
- Fair Labor Association (1999)
- Voluntary Principles on Security and Human Rights (2000)
- Kimberley Process Certification Scheme (2002)
- Equator Principles (2002)
- International Cocoa Initiative (2002)
- Extractive Industries Transparency Initiative (2003)
- Electronics Industry Code of Conduct (2005)

⁶ The International Finance Corporation is an arm of the World Bank.

⁷ Being held to account does not necessarily imply apportioning blame or legal responsibility, but can be interpreted as simply conforming to a decent standard of behaviour.

“...the [corporate] responsibility to respect [human rights] is a baseline expectation, [and] a company cannot compensate for human rights harm by performing good deeds elsewhere ... ‘Doing no harm’ is not merely a passive responsibility for firms but may entail positive steps.”

Professor John Ruggie, UN Secretary-General’s Special Representative on Business and Human Rights.

Protect, Respect and Remedy: a Framework for Business and Human Rights, April 2008.

Corporate responsibility to respect human rights: an emerging standard

At present international legal human rights duties for companies exist only in a few cases.⁸ In 2005 the UN Secretary-General appointed Professor John Ruggie as his Special Representative on Business and Human Rights, with a mandate to, among other things, “identify and clarify standards of corporate responsibility accountability with regard to human rights” and shed light on the important, but ill-defined, concepts of ‘spheres of influence’ and ‘complicity’.⁹

⁸ For example, all entities, whether they are governments or private bodies, are prohibited under international law from perpetrating genocide, certain war crimes and crimes against humanity, and slavery. Such violations are directly enforceable against individuals, including company directors if relevant, before the International Criminal Court in certain circumstances. They may also be enforceable against some companies under the Alien Tort Claims Act (US).

⁹ For full details of the mandate and its progress, see: <http://www.business-humanrights.org/Gettingstarted/UNSpecialRepresentative> and http://www2.ohchr.org/english/issues/trans_corporations/index.htm.

In 2008, the Special Representative presented to the UN Human Rights Council a conceptual and policy framework to guide the business and human rights agenda. The framework rests on differentiated but complementary responsibilities, and comprises three core principles:

- the State duty to protect against human rights abuses by third parties, including business
- the corporate responsibility to respect human rights
- the need for more effective access to remedies for victims of any human rights abuses that occur.

Each principle is an essential component of the framework: the State duty to protect because it lies at the very core of the international human rights regime; the corporate responsibility to respect because it is the basic expectation society has of business; and access to remedy, to ensure that some form of redress is available to victims in the case of abuses.¹⁰

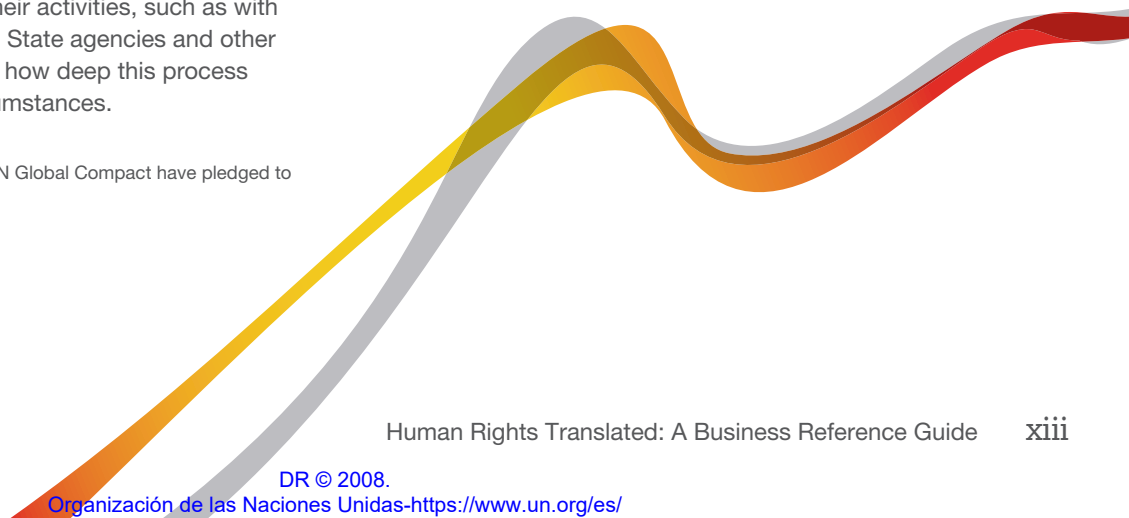
Of particular interest to business is the second pillar of the principle: the corporate responsibility to respect human rights. According to the Special Representative this is the baseline responsibility for companies, in addition to compliance with national laws. The responsibility to respect applies in relation to all internationally recognised human rights. To discharge the responsibility to respect requires specific human rights due diligence. This concept describes the steps a company must take to become aware of, prevent and address adverse human rights impacts. The scope of the due diligence is inevitably inductive and fact based, but comprises: the country context, any human rights impact a company's activities may have within that context, and whether the company might contribute to abuse through the relationships connected to their activities, such as with business partners, suppliers, State agencies and other non-State actors. How far or how deep this process must go will depend on circumstances.

¹⁰ Companies participating in the UN Global Compact have pledged to respect and support human rights.

The framework by itself does not constitute a solution. But it does provide all parties concerned with corporate-related human rights issues with a common baseline from which to develop greater coherence and guidance. The framework was welcomed by the Human Rights Council, which has mandated the Special Representative to operationalise it. The process is expected to be finalised by 2011. As it evolves, the process will have significant implications for the conceptual and practical understanding of the nature and scope of the corporate responsibility to respect human rights.

This publication aims to complement the efforts of the Special Representative by explaining the content of the main internationally recognised rights that are the subjects of the corporate responsibility to respect.

Beyond the policy framework identified by the Special Representative, the United Nations Global Compact asks companies to commit to engage in activities that support human rights. This publication is also a tool for companies wanting to engage in activities in support of human rights.



USER NOTES AND METHODOLOGY

This guide can be used as a simple reference tool or employed more thoroughly to augment a company's existing human rights due diligence strategy, including the development and evolution of human rights policies, implementation of impact assessments, and in management systems that encompass training, communication, monitoring and reporting. See the 'Navigating the Guide' card accompanying this publication.

Descriptions of the rights

Readers are guided through each of the rights contained in the UN treaties – the International Covenant on Civil and Political Rights (1966) and the International Covenant on Economic, Social and Cultural Rights (1966) – and given a description of what each right means in general terms and how it may be relevant to a company's activities. The descriptions take into account the text of the relevant treaty, as well as subsequent interpretations of the treaties by the relevant international bodies. Occasionally, reference is also made to the Conventions of the International Labour Organization (ILO), particularly where there is little guidance from the relevant UN treaty body.

International human rights are elaborated in many other UN and regional treaties, conventions and declarations, some of which may already be familiar to business readers.¹¹ The authors have chosen to focus on the two 1966 Covenants because of their wide international acceptance and the fact that they articulate the broad spectrum of internationally recognised human rights contained in the Universal Declaration of Human Rights.

No attempt is made to rank the rights in order of relevance to business. While some rights (such as those

¹¹ Among the most notable are: the Convention on the Elimination of all Forms of Racial Discrimination (1965), the Convention on the Elimination of All Forms of Discrimination against Women (1979), the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (1984), the Convention on the Rights of the Child (1989), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), the International Convention on the Protection of all Persons from Enforced Disappearance (2006), the Convention on the Rights of Persons with Disabilities (2006), and Conventions of the International Labour Organization (ILO), as well as the European Convention on Human Rights (1950), the American Convention on Human Rights (1978), the African Charter on Human and People's Rights (1981) and the Arab Charter of Human Rights (2004).

on workplace health and safety) are likely to be priorities for all industries in all part of the world, and other rights (such as freedom from retroactive criminal law) are unlikely to affect business, no definitive rules exist. For example, it is not uncommon to find that rights, such as the rights to freedom of religion or expression, may require a different corporate response from one sector to the next and from one location to another.

“There are few if any internationally recognised rights business cannot impact – or be perceived to impact – in some manner. Therefore, companies should consider all such rights.”

Professor John Ruggie, UN Secretary-General's Special Representative on Business and Human Rights. *Protect, Respect and Remedy: a Framework for Business and Human Rights*, April 2008.

Case studies

To bring reality to the report, each description of a right is illustrated by one or more short case studies¹² demonstrating how the right can be relevant to business. The companies profiled have been given a chance to comment.¹³ The case studies are only reported to the extent that they are relevant to that particular right – other potential rights issues are omitted to avoid confusion. No implication is intended regarding a company's human rights record outside the context of a given

¹² The exception to this rule is where a particular right has only slight relevance to the business community.

¹³ Regardless of whether a company commented, they should not be considered to have endorsed the case study.

case study. The objective is to extract lessons from the sometimes complex, real-life situations companies encounter around the world. The case studies are not meant to represent the ‘best’ or ‘worst’ examples – they are simply chosen as appropriate examples that illustrate the real-life relevance of the right concerned.

Some of the case studies address fluid situations, which may be subject to change. The case studies are up to date, to the best of the authors’ knowledge, as of August 2008. For information on any recent developments, readers are encouraged to visit the Business and Human Rights Resource Centre (<http://www.business-humanrights.org>), which is a leading independent resource on the subject. The website is updated hourly with news and reports about companies’ human rights impacts worldwide – positive and negative. Any reader from a company, government or civil-society organisation wishing to submit a clarification or response to any item is able to do so by sending an email to: contact@business-humanrights.org.

Few of the human rights challenges illustrated in the case studies are clear-cut or have simple solutions. In a number of instances companies seem to have turned an ostensibly negative human rights impact around and have brought about long-term benefits, often by working collaboratively with industry peers or civil-society groups. Some companies that have faced difficulties in one context have learnt from such encounters and put good-practice models and management systems in place elsewhere to respect and promote human rights. On the other hand, some companies that have undertaken positive measures with regard to human rights in one context have been criticised by human rights groups regarding their actions in other contexts. Mixed records demonstrate that this is an evolving area and that observance of human rights by companies requires constant vigilance.

All material included in the case studies is taken, without exception or favour, from information in the public domain. No judgements are made in favour of, or against, the companies or activist groups profiled. In all cases, links are supplied indicating the web-based sources from which the case study has been taken. A variety of sources have been used to show a range of perspectives on the case study, including, in many instances, company corporate responsibility sites. Use of a particular website should not be taken as an endorsement of that source.¹⁴

¹⁴ In some circumstances, weblinks may be broken or go out of date. Information regarding the relevant case study should nevertheless be available using common search engines.

The aim of the case studies is to offer insights for other companies that may find themselves in similar situations. We encourage readers to approach every case study with an eye to the lessons that emerge.

Suggested practical actions

For each right in the report the authors offer suggested practical actions for company managers’ consideration. The suggested practical actions are based on relevant international standards, industry guidelines and existing good practice, as well as lessons that may be derived from the featured case studies. Some are aimed at assisting companies in ensuring that they respect human rights (and therefore avoid harm), whereas others focus on ways in which companies can promote the positive fulfilment of human rights. They are not a comprehensive list, but offer a sense of the steps that companies have already tried and tested in the given area, and which may be factored into a company’s wider human rights due diligence.

Some suggestions are policy or strategy focused and address how to integrate human rights due diligence within the company. Others are geared towards operational staff and are more relevant to those working on specific facilities or based in challenging locations. Where a right is particularly relevant to a certain type of business, specific suggestions are flagged for that industry using *italics*.

Many companies now have explicit human rights policies and a growing number conduct social impact assessments that factor in human rights considerations. The suggestions in this report are intended to complement such existing human rights approaches and help identify any risks that may have been overlooked. To get the most from this publication, managers may find it helpful to use it in conjunction with other tools featured in the Further Resources section.

Further resources

A list of further resources begins at page 139. They are provided to give company staff further practical support in integrating human rights into day-to-day business decision-making. They consist of:

- Country risk tools – to enable managers to spot the human rights violations most prevalent in countries of operation
- Human rights impact assessment and compliance tools – that help managers identify and manage human rights-related risks effectively on the ground
- Human right policy development and implementation tools – to aid companies, and particularly senior managers, with the integration of human rights factors into their existing management approaches.

GLOSSARY OF KEY SELECTED TERMS

Complicity:

Complicity in the business and human rights context refers to the indirect involvement of companies in human rights abuses. Complicity arises when a company knowingly contributes to another's abuse of human rights but did not actually carry out the abuse itself. Some forms of complicity attract legal penalties. Companies may, however, face criticisms in regard to other forms of complicity: stakeholder expectations often go beyond legal minimum standards. Complicity may be alleged in relation to knowingly contributing to any type of human rights abuse, whether of civil or political rights, or economic, social or cultural rights.

Human rights due diligence:

According to the Special Representative of the UN Secretary-General on business and human rights, human rights due diligence is the process required by companies to discharge their responsibility to respect human rights. The concept describes the steps a company must take to become aware of, prevent and address adverse human rights impacts. For the substantive content of the due diligence process, companies should look, at a minimum, to the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the core conventions of the ILO. The due diligence process should consider three sets of factors: the country contexts in which the organisation operates, the potential and actual human rights impacts resulting from the organisation's activities, and the relationships connected to those activities. How far or how deep this process must go will depend on circumstances.

Human rights impact assessment:

A human rights impact assessment is a process for systematically identifying, predicting and responding to the potential human rights impacts of a business operation or project. It is designed to complement the company's other impact assessment and due diligence processes, to be guided by a company's own core values and commitments, and to be framed by appropriate international human rights principles and conventions. It is also rooted in the realities of the particular business operation or project by recognising the context within which it will operate from the outset, and by engaging directly with those peoples whose rights may be at risk.

Human rights policy:

A human rights policy is an explicit statement of a company's commitment on human rights. Some are stand-alone documents found on company websites or within reporting literature; others are integrated within statements of business principles, codes of ethics or codes of conduct. A typical human rights policy consists of four elements: a general statement of commitment to respect universal human rights, typically referencing or pledging support for the principles enshrined in the Universal Declaration of Human Rights and core conventions of the International Labour Organization; specific commitments on labour rights (e.g. on non-discrimination, workplace health and safety); specific commitments on wider (non-labour) human rights, which often reflect industry priorities (e.g. on security arrangements, internet privacy); and management systems to integrate the policy.

Sphere of influence:

Beyond the responsibility to respect human rights, companies can support the promotion of human rights. The concept of 'sphere of influence' can be used to help map the scope of an organisation's opportunities to support human rights, including with respect to the categories of rights-holders and rights, and where they can have the greatest positive impact. The Office of the United Nations High Commissioner for Human Rights (OHCHR) has described the concept of sphere of influence as encompassing a company's internal and external business networks, including its relationships with joint venture partners and government authorities. All companies have a sphere of influence, but larger companies will naturally have a larger sphere than smaller companies.¹⁵

Stakeholders:

A company's stakeholders typically include employees, people within the community in which a business operates, clients, customers, consumers, shareholders, business partners, suppliers, franchisees, sub-contractors and governments.

¹⁵ See, generally, OHCHR Briefing Paper, *The Global Compact and Human Rights: Understanding Sphere of Influence and Complicity* (OHCHR, Geneva, 2004), pages 18–19.