

Business Policies on Human Rights: An Analysis of Their Content and Prevalence Among FTSE 100 Firms

Lutz Preuss · Donna Brown

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Abstract The new millennium has witnessed a growing concern over the impact of multinational enterprises (MNEs) on human rights. Hence, this article explores (1) how wide-spread corporate policies on human rights are amongst large corporations, specifically the FTSE 100 constituent firms, (2) whether any sectors are particularly active in designing human rights policies and (3) where corporations have adopted such policies what their content is. In terms of adoption rates of human rights policies, evidence of exemplary approaches in individual companies contrasts with a less satisfactory engagement pattern across the sample, as 42.8% of firms do not seem to address human rights at all. With regard to the content of corporate human rights policies, the study found shallow commitments to dominate, where companies focus on a narrow range of negative rights, i.e. on respecting human rights, rather than positive ones, i.e. initiatives to protect or fulfil human rights.

Keywords Human rights · Corporate social responsibility · Multi-national enterprises · UN Declaration of Human Rights

Introduction

The rapid globalisation of recent years has offered multinational enterprises (MNEs) a vastly expanded geographic

radius for their operations. The global opportunities to search for novel sources of raw materials, cheaper labour and new customers are, however, not matched by the emergence of transnational governance structures (Cassel 2001; Wettstein 2009). One area where this mismatch is particularly noticeable concerns the role of MNEs in upholding or violating human rights (Muchlinski 2001; Sullivan 2003). Concern over the impact of business on human rights has been fuelled by a number of cases where MNEs have colluded with host governments in the violation of such rights (Monshipouri et al. 2003; Holliday 2005; Wettstein 2010); however, there are also companies that have successfully engaged with human rights challenges. As part of a wave of MNE withdrawals from Myanmar in the early 1990s, Levi Strauss stated that the company found it ‘not possible to do business without directly supporting the military government and its pervasive human rights violations’ (quoted in Holliday 2005, p. 332). If such examples spread, they might thus lead to the possibility that ‘transnational corporations may emerge as a major force in promoting human rights globally’ (Carasco and Singh 2008, p. 374).

Driven by non-governmental organisations (NGOs), such as Amnesty International (Avery 2000; Frankental 2002), and intergovernmental organisations (IGOs), like the United Nations through the Global Compact, the Special Representative of the Secretary-General on Human Rights and Transnational Corporations and other Business Enterprises or the Human Development Reports (see in particular SRSR 2008 and UNDP 2000), an intense debate regarding the role of business in human rights has developed in recent years. This debate covers a wide spectrum of views. At one extreme there is the view that MNEs contribute to economic development across the globe and through this enhance human rights conditions; at the other

L. Preuss (✉) · D. Brown
School of Management, Royal Holloway,
University of London, Egham, Surrey, UK
e-mail: Lutz.Preuss@rhul.ac.uk

D. Brown
e-mail: Donna.Brown@rhul.ac.uk

extreme is the argument that MNEs create highly uneven economic development and thus contribute to lower levels of human rights protection (Meyer 1996; Monshipouri et al. 2003; Leisinger 2006; Wettstein 2009, 2010).

From a business perspective, the danger arises that if business does not get involved in shaping the debate it risks leaving the interpretation of human rights entirely to NGOs and IGOs. As there has been little prior research into how human rights are conceptualised at company level (Sullivan and Seppala 2003), this article will pose three inter-linked research questions: First, how wide-spread are corporate policy documents on human rights? Second, are there particular sectors where these are more common than in others? Third, where MNEs engage with demands to uphold human rights, which issues do they address—and which do they not? The main contribution the article seeks to make to the literature lies thus in taking stock of what the current level of corporate commitment to human rights is. This leads to auxiliary contributions to the on-going debate regarding the nature of corporate responsibilities to society, such as whether voluntary initiatives are sufficient to safeguard satisfactory standards of corporate behaviour. The article is structured in the following fashion. A review of the philosophical and political science literature on the nature of human rights is extended to a discussion of a role of business in upholding these. Next, the research method underlying the data collection for the article is explained. This is followed by the presentation of the findings in relation to the three research questions. Finally, the conclusions summarise the discussion, state limitations and point to avenues for future research.

On the Nature of Human Rights

A right can be defined as ‘a claim against someone whose recognition as valid is called for by some set of governing rules or moral principles’ (Feinberg 1970, p. 257; see also Dworkin 1977; Donnelly 1985). Since rights under such a definition can be cancelled out by counter-rights, scholars have explored whether some categories of rights express a more fundamental entitlement than others. In the late seventeenth century, Locke (1690/1980) tried to achieve this through the concept of natural rights, which he conceived of as a fundamental property of humanhood.¹ In the twentieth century, the notion of human rights gained ground, a special category of rights that all persons enjoy qua their status of being a human (Gewirth 1982; Donnelly 1985, 2003).

¹ For a discussion of the differences between natural and human rights, see Donnelly (1985).

Human rights have been defined as ‘rights of every human being to the necessary condition of human action, i.e. those conditions that must be fulfilled if human action is to be possible either at all or with general chances of success in achieving the purposes for which humans act’ (Gewirth 1982, p. 3).² They thus express ‘minimum conditions for a dignified life worthy of a fully *human* being’ (Donnelly 1985, p. 33; see also Rawls 1993; Nickel 2007). Human rights are of universal character: all humans equally need the necessary conditions of purposive human action; hence all humans are equally entitled to human rights (Gewirth 1982, Donnelly 1985, 2002; Nickel 2007). At the same time, any bearer of a human right is also subjected to restrictions arising from the human rights of other persons. In particular, ‘the freedom of potential interferers must be interfered with’ (Gewirth 1982, p. 16); hence human rights cannot be absolute, although their infringement requires good arguments, such as the existence of another human right (Gewirth 1982).

Human rights have emerged from different traditions, or chronologically speaking, emerged in several generations (Monshipouri et al. 2003; Nickel 2007). First, there are civil–political rights, such as a right to freedom of expression or to freedom from arbitrary arrest. Standing in a liberal tradition, these rights focus on the protection of the individual from the power of the state. Sometimes equated with negative rights, such rights typically entail minimum standards to avoid the worst acts of arbitrary application of state power (Donnelly 1998). A second group are socio-economic rights, such as a right to a fair wage, to basic health care or to rest and leisure. They developed from a socialist perspective in the wake of social upheavals and class struggle during the industrialisation of Western democracies. Sometimes equated with positive rights, such rights comprise of more extensive demands of the state to intervene on behalf of the individual (Donnelly 1998). Third, some authors make a case for collective developmental rights of peoples and groups, such as special protection for ethnic and religious minorities. These largely developed out of the decolonialisation struggles in the twentieth century (Twiss 2004; for a critical view of collective rights see Donnelly 2003). Although the concept of human rights as such is today largely acknowledged, the precise content of any list of human rights remains highly contested.

Human rights have been discussed in a range of guidance documents. At the IGO level, the most important one

² Gewirth (1982, p. 4) bases human rights on the rational agency of humans: ‘persons act for purposes they regard as good. Because every agent regards his purposes as good, he must regard as necessary goods the freedom and well-being which are the necessary conditions of his action for any of his purposes.’ For a critique of this approach, see Rorty (1993).

is the Universal Declaration of Human Rights, adopted by the United Nations General Assembly in 1948 and formally endorsed by most of the countries of the world (Frankental 2002; Donnelly 2003; Nickel 2007; Ishay 2008). Its stipulations were spelled out in the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, which both were adopted by the United Nations General Assembly in 1966. Both also reflect the different emphases during the Cold War by Western democracies and Eastern European communist countries in their respective approaches to the human rights debate (Muchlinski 2001; Ishay 2008). The UN system is also author of a range of more specific human rights conventions, including the Convention on the Elimination of All Forms of Discrimination against Women of 1979 or the Convention on the Rights of the Child of 1989 (Nickel 2007).

In Europe, the Council of Europe adopted the European Convention for the Protection of Human Rights and Fundamental Freedoms in 1950. The Conference on Security and Cooperation in Europe also stated in its Final Act, adopted in Helsinki in 1975, that signatory states will respect human rights and fundamental freedoms. Last but not least, the European Union had its Charter of Fundamental Rights of the European Union approved by the European Parliament and the European Commission in 2000 (Ishay 2008). Human rights are furthermore enshrined in numerous documents adopted by national governments, such as the Magna Charta in England, signed in 1215, France's Declaration of the Rights of Man and of the Citizen of 1789, the United States Bill of Rights of 1798 or the United Kingdom's Human Rights Act 1998 (Nickel 2007). However, in these documents human rights are largely seen as the domain of the state; hence there has traditionally been little reference to business in national and international documents on human rights (Donnelly 1985; Meyer 1996).

The Role of Business in Human Rights

Early important initiatives to clarify the human rights obligations of business, particularly of MNEs, are the various ILO Conventions, which address particular work-related aspects of human rights. Another key example are the OECD Guidelines for Multinational Enterprises, which were adopted in 1976 and last revised in 2010. Although mainly concerned with issues of corporate governance, the OECD Guidelines address employment and industrial relations, environmental issues and consumer interests too (Leipziger 2010; Carasco and Singh 2008). In 2000, former UN Secretary-General Kofi Annan was instrumental in launching the UN Global Compact, a list of ten principles

of responsible management, which include two explicit human rights principles (Fussler et al. 2004; Mertus 2009). The UN Sub-Commission on the Promotion and Protection of Human Rights (now replaced by the UN Human Rights Council) also drew up Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights in 2003 (Weissbrodt and Kruger 2003). The Sub-Commission furthermore asked the UN Secretary-General to appoint a Special Representative on the Issue of Human Rights and Transnational Corporations and other Business Enterprises (Jerbi 2009).

A number of NGOs have drawn up human rights guidance documents too, such as Amnesty International with its Human Rights Principles for Companies (Leipziger 2010). Various industry associations have also designed their own guidance documents on the subject. As an early example, the Sullivan Principles were designed in 1977 to promote racial equality within US companies operating in South Africa. They were relaunched in 1999 as the Global Sullivan Principles of Social Responsibility (Leipziger 2010; Carasco and Singh 2008). With a view to rendering corporate performance on human rights comparable, the Global Reporting Initiative developed indicators for a company's human rights performance (GRI 2006). More recently, in 2008, the International Chamber of Commerce adopted a policy statement on human rights too (ICC 2008).

Last but not least, there have been important multi-stakeholder initiatives to clarify the nature of human rights and the role of business in upholding these; thus the Business Leaders Initiative on Human Rights, the UN Global Compact and the Office of the High Commissioner on Human Rights produced Guidelines for Integrating Human Rights into Business Management. In terms of sector-specific initiatives, a dialogue between the governments of the US and the UK, companies in the extractive and energy sectors and NGOs led to the establishment of the Voluntary Principles on Security and Human Rights (Jerbi 2009). Another sectoral example is the Ethical Trading Initiative, an initiative by UK-based retailers, in conjunction with trade unions, NGOs and the UK government, to establish social and environmental criteria for their supply chains (Blowfield 2002; Preuss 2009). With regard to the trade in diamonds, the Kimberley Process seeks to certify diamonds to curb their sale to fund conflict (Maconachie 2009).

The existence of these documents and initiatives does not quite settle the question of how far business should get involved in the protection of human rights. A useful distinction here is the one made by the Special Representative in his third report to the UN Human Rights Council in 2008 between protecting, respecting and fulfilling or remedying human rights (SRSG 2008; see also UNDP 2000; Wettstein

2009).³ Respecting human rights demands that companies refrain from any interference with individuals' exercise of their rights, protecting human rights requires business to prevent abuse by other societal actors within the limits of their abilities, whilst fulfilling human rights asks firms to contribute to meeting economic, social and cultural rights. Regarding the protection of human rights, one can furthermore distinguish between direct, beneficial and silent complicity in human rights abuses (OHCHR and UNGC 2007). Direct complicity involves consciously assisting a third party in human rights violations, beneficial complicity occurs where a firm is benefiting directly from human rights abuses by a third party, whilst silent complicity, the category that is most difficult for business to address, refers to situations where companies are expected to speak up about human rights abuses they become aware of (Leisinger 2006; Wettstein 2010).⁴

Demands for a business role in protecting, respecting and remedying human rights are often discussed in terms of a company's sphere of influence. For example, the UN Global Compact asks companies to 'embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.' This is usually taken to mean a company's core operations, its business partners and its host communities (Leisinger 2006; for a critique of this approach see Wettstein 2009). In a nutshell, the precise extent of the role business should play in upholding human rights is still an unresolved question. This is the background against which this article will examine to what extent large companies, here the FTSE 100 member firms, have adopted the concept of human rights and, where they have, what issues they address under the heading of human rights.

Research Method

The research process began by obtaining the list of the FTSE100 constituent firms on 1 July 2009. The sample comprises of a total of 98 firms, because the FTSE 100 index included both A and B shares for Royal Dutch Shell as well as separate listings for Schroders and Schroders

N/V. The websites of these firms were then checked for displays of CSR tools that may address human rights. One of the most popular tools through which companies deal with CSR issues is the code of conduct (World Bank 2003). Hence this study examined corporate websites for codes of conducts and their subsidiary documents, such as stand-alone human rights policies, CSR/corporate citizenship policies, environmental or sustainability policies or ethical sourcing policies.⁵ Corporate websites can be taken as an approved, formal and official perspective on CSR (Bondy et al. 2004). Analysing information displayed on corporate websites is furthermore taken as a reliable research method, since prior research into CSR tools amongst FTSE 100 companies found that the vast majority of such documents are hosted on corporate websites. In one study, CSR managers were approached for CSR tools that were not displayed on their companies' websites but the additional documents received constituted a mere 3% of the total sample (Preuss 2010).

With regard to the first research question, the degree of adoption of human rights policies amongst the sample firms was established. To generate a fuller picture, the research also established all cases where information on human rights issues was included in other CSR tools. A distinction was made here between a separate section in a CSR tool and an isolated reference, with the former being defined as consisting of at least a separate heading and two sentences of text. With regard to the second research question, the emerging pattern of engagement was examined against the industry composition of the FTSE 100 index to determine whether industry differences influence the adoption of human rights policies. Industry classification was established with reference to the UK Standard Industrial Classification of Economic Activities 2007 (ONS 2007). Third, the content of the separate human rights policies was analysed by checking these against the individual articles of the UN Declaration, the 'most widely accepted document' in the field of human rights (Cassel 2001, p. 261; see also Donnelly 2003; Sullivan 2003).

The content analysis of the FTSE 100 documents was undertaken manually and counted the frequency of an item being mentioned rather than attempting to measure the degree to which it is discussed. As Wood (2000, p. 288) states, some concepts are more difficult to express concisely than others, hence the amount of space devoted to an item may not necessarily correlate with the importance assigned to it by a company. The content analysis considered only text without appendices, as these were found

³ The UNDP (2000) trio of respecting, protecting and fulfilling human rights was proposed specifically in relation to the impacts of governments on human rights.

⁴ Oil company BP, for example, comments on the problems of limited corporate reach: 'In the three areas of employees, communities and security, where we have direct control, our responsibility and positions are straightforward. Our greatest challenges occur in situations outside of our direct control—for example, in joint ventures where we do not hold a controlling interest, or in interactions with other third parties.'

⁵ Kaptein (2004, p. 13) defines a code of conduct as 'a policy document that defines the responsibilities of the corporation towards its stakeholders and/or the conduct the corporation expects of employees'. On the differences between the various CSR tools, see Preuss (2010) and Leipziger (2010).

to often repeat key external guidance documents, such as the UN Declaration. Overall, the study's research method is comparable to those of previous studies that analysed the content of corporate codes (e.g. Wood 2000; OECD 2001; Bondy et al. 2004; Kaptein 2004; Kolk and van Tulder 2004; Lugli et al. 2009; Preuss 2010).

Adoption Rates of Human Rights Policies

Regarding the first research question, to what extent MNEs include references to human rights in their CSR tools, the study found that just over half (57.1%) of the 98 firms in the FTSE 100 index address human rights in either a separate human rights policy or in another CSR tool, such as a code of conduct or a CSR policy (see Table 1); however, 42.8% of firms do not seem to address human rights at all. Of these, 11.2% are firms for which no CSR tools could be identified. Notably, almost a third (31.6%) of all firms adopted at least one CSR tool but do not discuss human rights in these.

The FTSE 100 firms that address human rights in their CSR tools do so in three major ways: (1) through stand-alone human rights policies, (2) through designated sections in codes of conduct or other CSR tools or (3) through more or less substantial references in the text of these CSR tools that fall short of forming a designated section. To avoid duplication, the following analysis counts only the most advanced mode of addressing human rights, i.e. where a company has a separate policy other CSR tools were no longer examined. Some firms furthermore commented on industry level commitment. For example, oil company BP refers to guidance material by the International Petroleum Industry Environmental Conservation Association (IPIECA) and the Voluntary Principles on Security and Human Rights. Due to a lack of space, such industry level documents could, however, not be considered here.

22 companies (22.4%) of the FTSE 100 firms have a separate human rights policy. These range from one page documents, e.g. at BG, British American Tobacco, Friends Provident, GlaxoSmithKline, Intercontinental Hotels Group, International Power, Man Group, Royal Bank of

Scotland, to longer documents, such as Barclays' Statement on Human Rights of 13 pages, Rio Tinto's Human Rights Guidance of 23 pages or BP's Human Rights: A Guidance Note of 28 pages. Shell has a document entitled Human Rights Dilemmas: A Training Supplement, which runs to 20 pages. The longer of these policies, in particular the documents by Rio Tinto, BP and Shell, offer an explanation of what human rights mean and why the company needs a human rights policy, then discuss a range of stakeholders where human rights abuses may be a particular issue, thereafter outline the company's position on dealing with these, then describe how the company manages its commitments and finally offer links to sources of further information.

Designated sections on human rights were identified in a further 13 companies (13.3%). These tend to be more concise than the separate policies, but they usually refer to external reference documents for human rights, in particular the UN Declaration, provide a rationale of why the firm promotes human rights and offer some information on how it aims to do this. The length of these sections ranges from 46 words at insurance company Aviva and media firm Reed Elsevier to 351 words at business services company Serco. The isolated references tend to be even sparser in their content than the designated sections. They usually contain some standards that are to be upheld and a rationale of why the company insists on these, but in the majority of cases these are no longer backed up with references to external reference documents. In some cases, there is extensive coverage of various human rights aspects, e.g. in the document Our Ethical Trading Standards by retail firm Home Retail Group; however, six companies go no further than stating that they endeavour to uphold human rights—without further explanation what this means to them. In terms of length, the isolated references range from 285 words at Home Retail Group to nine words at tour operator TUI, which merely states that 'TUI professes its regard and observance of human rights'.⁶

To summarise this section, the study found some evidence of a systematic engagement with human rights. For example, British American Tobacco has a separate human rights policy, a section in its Philosophy for Supplier Partnerships and isolated references in its code of conduct. However, across the sample the picture is less satisfactory. Here, the finding is particularly noteworthy that the largest group of 31.6% are companies that do have CSR tools in place but do not include human rights in these. Thus some doubt emerges as to how far corporate commitment to human rights protection actually goes. Another notable

Table 1 Human rights in the CSR tools of FTSE 100 firms

CSR tool	<i>n</i> = 98	%
Human rights policy	22	22.4
Section in code of conduct or other CSR tool	13	13.3
Reference in code of conduct or other CSR tool	21	21.4
CSR tool without reference to human rights	31	31.6
No CSR tool	11	11.2

⁶ TUI states that its code of conduct is a translation from German. However, the commitment to human rights in the original version of the code amounts to exactly the same length—nine words.

finding is the salient role of firms in the oil and gas industries. Such sectoral aspects are discussed in the next section.

Industry Patterns

Addressing the second research question, the emerging pattern of engagement with human rights was examined against the industry composition of the FTSE 100 index (Table 2). Outstanding sectors in terms of adoption rates of separate policies are alcoholic beverages, the oil and gas industry as well as tobacco (although the first and third of these consist only of two firms each). Designated sections in CSR tools are particularly found in the business and professional services sector, whilst isolated references are typical for the food sector and are also often found in the extractive industry. Sectors with high adoption rates of CSR tools that do not include human rights are property management and construction, manufacturing, retailing, utilities and media. Finally, the largest number of firms without CSR tools was found in financial services other than banking and insurance, principally investment funds.

The performances of two sectors invite further comment, namely those of utilities and retailing. In both cases half, or slightly more, of all firms have CSR tools but do not address human rights. This contrasts with greater levels

of engagement with CSR in general terms, as expressed for example in the rankings of utilities and retailers in the Corporate Responsibility Index by Business in the Community (BitC 2010). However, utilities have a predominantly domestic market and may primarily see their CSR impact in environmental terms. The low exposure to developing countries may thus translate into a lesser need to engage with human rights issues. Retailers, by contrast, have a huge exposure to human rights issues through their supply chains, which depends, of course, on the countries they source from. Many of the FTSE 100 firms have been active in the Ethical Trading Initiative (Blowfield 2002; Preuss 2009). They may thus perceive human rights as a topic that is addressed sufficiently through this initiative; although this would throw open the question as to what extent stand-alone CSR initiatives are woven into corporate strategy and operations.

This study provides further support for the role of public pressure in CSR, as the most thorough engagement with human rights issues was found in typical 'limelight industries' or perceived 'sin industries', such as the alcoholic beverages, tobacco or oil and gas ones. For example, the three longest human rights policies were all found in oil and gas companies. This seems to be an indication that the public scrutiny that surrounds the sector has translated into an above-average attention to human rights. By contrast, three industries showed little interest in the subject, namely

Table 2 Adoption rates of human rights policies by industry

Industry	<i>n</i>	Separate policy (in %)	Section (in %)	Isolated reference (in %)	CSR tool without reference to human rights (in %)	No CSR tool (in %)
Alcoholic beverages	2	100	0	0	0	0
Oil & gas	7	57	14	14	14	0
Tobacco	2	50	0	50	0	0
Banking	5	40	0	20	40	0
Food	3	33	0	67	0	0
Pharmaceutical	3	33	0	33	33	0
Utilities	6	33	0	17	50	0
Insurance	7	29	29	0	29	14
Chemical	4	25	25	25	25	0
Hotel, leisure	4	25	0	25	50	0
Other financial	8	25	0	13	13	50
Telecom and IT	7	14	29	14	14	29
Retail	7	14	0	29	57	0
Extractive	10	10	10	40	10	30
Business services	7	0	43	14	43	0
Media	4	0	25	25	50	0
Property, construction	5	0	20	20	60	0
Manufacturing	7	0	14	14	57	14
Transport	1	0	0	0	100	0
Sample average	98	22.4	13.3	21.4	31.6	11.2

investment trusts (i.e. financial services other than banking and insurance), property management and construction companies as well as media firms. This is a finding of considerable importance for discussions of the effectiveness of CSR. At times media firms can have a direct impact on human rights—see for example the questionable methods used by the News of the World newspaper to gain access to information—but they also play an enormous role in shaping the debate about the global economy. Financial services firms can have a significant impact on human rights through the investments they undertake. It is therefore striking that the companies in these sectors have so far abstained from a more public discussion of their human rights impacts. Having examined patterns of engagement with human rights, the next section will now shine a light on the content of these documents.

Content Analysis of Human Rights Policies

As its third research question, the study sought to identify more specifically which aspects of human rights MNEs support—and which they do not. Some of the stand-alone human rights policies use a stakeholder approach to outline what human rights aspects the company sees as important with respect to key stakeholders. For example, the policy by telecommunications firm Vodafone has sections on employee human rights, customer human rights and human rights in the supply chain. These are supplemented with additional policies on health and safety, equal opportunities and diversity, customer privacy and ethical purchasing. However, to gain a more in-depth picture of corporate human rights policies, as the most advanced mode of addressing human rights, their content is now compared with that of the UN Declaration of Human Rights. Having examined all of the corporate documents, the proportion of the sample is indicated that mentions each specific human right (see Table 3 and Appendix 1).

The UN Declaration contains a total of 37 human rights. Of these, the ones that the FTSE 100 companies have embraced most systematically are no discrimination (95.5%), the right of association (81.8%) and the right to join and form trade unions (77.3%). These are followed by a prohibition of slavery (59.1%), respect for human dignity and a ban on torture or other inhumane treatment (both 50%). Thereafter, inclusion rates fall quickly for issues such as just remuneration (45.5%), the right to life, liberty and security or duties to the community (both 36.4%). Of the 37 rights, only six are thus addressed in half or more of the FTSE 100 firms' human rights policies. At the bottom of the table, there is a whole range of issues that are not addressed by a single company, such as the rights to public services, to social security or to freedom of movement. As

the UN Declaration was primarily addressed to governments, it contains a number of issues that are not applicable to business, such as the right to nationality, the right to remedy by national tribunal or to family life. However, with regard to the latter, business can have an impact again in terms of a work-life balance for employees (Eikhof et al. 2007) or the conditions in employer-controlled accommodation (Smith and Pun 2006). Similarly, collective human rights find little resonance in the corporate documents, where the right to an international order that realises rights and freedom is again not addressed in a single human rights policy. Instead, companies stress that it is the duty of government to uphold human rights. For example pharmaceutical firm GSK writes:

We believe that governments have the responsibility to define and enforce a legal human rights framework that accords with international laws and agreements, such as the Universal Declaration of Human Rights. Businesses alone cannot resolve all the issues that arise—a response in partnership with others who have the mandate, competence and capacity to facilitate change is essential.

Nonetheless, there are some rights where inclusion rates are low, although the issue at hand is closely linked to the world of work. Notable amongst these are the right to privacy and the right to leisure (both 18.2%), the right to work, free employment (13.6%) and to equal pay for equal work (13.6%). The latter was drawn up to address in particular gender-based inequality, and its low inclusion rate contrasts with the somewhat more mainstream emphasis on just remuneration (45.5%). Companies may absolve themselves of action to protect human rights, laying the responsibility before national governments; however, an analysis of UK legislation in this area indicates a continuing reluctance to adopt many of the principles laid out in the UN Declaration. In addition to identifying which of the UN principles appear in the sample companies' CSR tools, Table 3 also identifies which human rights are enshrined in UK legislation. UK law addresses 18 of the 37 human rights mentioned in the UN Declaration fully and four further ones with caveats.⁷ It emerges thus that despite pointing to a government role in upholding human rights, corporate commitment to human rights amongst the FTSE 100 firms seems to fall significantly short of UK legal stipulations.

In terms of the distinction above between requirements to respect, protect and fulfil human rights (UNDP 2000; SRSR 2008; Wettstein 2009), the issues that the FTSE 100 firms address are predominantly of the first type.

⁷ The information presents the authors' lay interpretation of the UK Human Rights Act of 1998 and the Equality Act of 2010.

Table 3 Content comparison: corporate human rights policies versus UN Declaration

UN Declaration Principle			
Article No.	Content summary	Inclusion in UK legislation	Corporate references (in %)
2	No discrimination	Yes	95.5
20	Right of association	Yes ^a	81.8
23 (4)	Right to form and join trade unions	Yes	77.3
4	No slavery, no servitude	Yes	59.1
1	Human dignity	No	50.0
5	No torture, cruel or inhumane treatment	Yes	50.0
23 (3)	Just remuneration	No	45.5
3	Right to life, liberty and security	Yes	36.4
29	Duties to community	No	36.4
19	Freedom of expression	Yes	22.7
12	Right to privacy	Yes	18.2
24	Right to leisure, limitation of working hours	No	18.2
25	Decent standard of life (food, clothing, housing and medical care)	No	18.2
10	Fair hearing and independent tribunal	Yes ^a	13.6
18	Freedom of thought and religion	Yes	13.6
21 (1)	Right to political activity	Yes ^a	13.6
23 (1)	Right to work, free employment	No	13.6
23 (2)	Equal pay for equal work	Yes ^b	13.6
26	Right to education	Yes	13.6
27 (1)	Right to cultural life	No	9.1
9	No arbitrary arrest	Yes	4.5
17	Right to own property	Yes	4.5
27 (2)	Protection of intellect property rights	No	4.5
6	Right to recognition as a person before the law	No	0.0
7	Equality before the law	Yes	0.0
8	Right to remedy by national tribunal	Yes ^a	0.0
11 (1)	Innocent until proven guilty	Yes	0.0
11 (2)	No retrospective application of laws	Yes	0.0
13	Freedom of movement	No	0.0
14	Right to asylum	No	0.0
15	Right to nationality	No	0.0
16	Right to family life; free marriage	Yes	0.0
21 (2)	Right to equal access to public services	No	0.0
21 (3)	Free elections	Yes	0.0
22	Right to social security	No	0.0
28	Right to international order that realises rights and freedom	No	0.0
30	No right to destruction of rights	Yes	0.0

The comparison of UK legislation in the area of human rights with articles of the UN Declaration of Human Rights reflects lay opinion rather than being informed by legal expertise

^a Addressed with caveats or in a limited fashion by the UK Human Rights Act of 1998

^b Addressed by the UK Equality Act of 2010

By contrast, issues that require a firm to contribute to meeting economic, social and cultural rights are included far less often, if at all, such as a right to a decent standard of life (18.2%) or a right to a cultural life (9.1%). At the same time, there are individual firms that engage with these issues. For example, energy company BG moves firmly

into the terrain of protecting human rights when it promises to ‘defend employees and seek legal redress in cases of arbitrary arrest, detention without fair trial, torture or extra-judicial killing.’ Financial services firm Barclays is one of the few companies that comments on the possibility of exit where human rights violations persist: ‘In cases where we

discover that we are associated with violations of human rights we will take appropriate action in mitigation. This may include exiting a particular business relationship, or constructive engagement with others to promote good practice.’

Companies have also inserted various limitations into their human rights policies. Alcoholic beverages firm SAB Miller states: ‘This Position Paper represents aspirations rather than binding commitments as the contents are forward looking and involve certain risks and uncertainties which are difficult to predict’ (similarly Barclays). Other firms stress the limits of their reach. Here oil and gas sector firm Cairn strives ‘to positively address human rights within our sphere of influence and activities.’ Similarly, retailer Home Retail Group states with regard to discrimination: ‘We do recognise reluctantly that, in some parts of the world, these discriminatory divisions run so deep that it is unrealistic to expect employers to manage a mixed workforce without major societal changes taking place.’

To conclude this section, the content analysis of the human rights policies of the FTSE 100 firms showed that some work-related human rights issues find wide-spread attention, such as a prohibition of discrimination and the right to join and organise trade unions. Some firms may be increasing the current level of commitment by moving from an emphasis on respecting to protecting human rights, although few then go on to make a case for the fulfilment of human rights. At the same time, the overall level of commitment amongst the FTSE 100 firms is rather shallow, as only six of the 37 rights in the UN Declaration are addressed in half or more of the corporate documents. Companies furthermore focus on respecting negative rights rather than promoting positive ones. A particular challenge that is still terra incognita for business is the engagement with the concept of collective human rights.

Conclusions

Globalisation has greatly increased the power of MNEs to shape not only their own operations but also to impact on numerous local communities around the world. This growing power is increasingly linked to greater expectations of corporate responsibility and accountability (Weissbrodt and Kruger 2003; Wettstein 2009). In the words of UNDP (2000, p. 80): ‘Society no longer accepts the view that the conduct of global corporations is bound only by the laws of the country they operate in.’ Such a shift in expectations of corporations is particularly evident in the area of human rights. Here too the traditional view was that the protection of human rights is the sole responsibility of the state. ‘In the context of neoliberal globalization, however, the wrongdoers are often

corporations. Reliance on state duties alone may not be sufficient to broadly protect human rights’ (Monshipouri et al. 2003, p. 965; similarly Muchlinski 2001). This shift in expectations of corporate behaviour provided the backcloth against which this paper investigated the amount of attention which large businesses, specifically the FTSE 100 constituent firms, have given to human rights.

The study found examples of companies where the scope and breadth of their engagement with human rights is exemplary. For example, confectionary company Cadbury⁸ has drawn up a stand-alone human rights policy; it has also adopted a Human Rights and Ethical Trading Policy and discusses the subject in its code of conduct. Another company that is exemplary at first glance is British American Tobacco, which too has written a stand-alone human rights policy, included a section on human rights in its Philosophy for Supplier Partnerships and makes references to the subject in its code of conduct. At second glance, this commitment sits uneasily with the impact its product has on human health. Unsurprisingly, the company’s human rights policy refers to workplace-related human rights and human rights in supply chains but not to a customer’s right not to be harmed by a product one buys.

Across the FTSE 100 sample as a whole, the engagement is less than satisfactory as 42.8% of firms do not seem to address human rights at all. 31.6% of firms have at least one CSR tool in place but do not refer to human rights; in other words, almost a third of the FTSE 100 firms express a desire to engage in socially responsible behaviour but perceive this to be unrelated to the human rights agenda. The content of the human rights policies was also found to be rather shallow, as of the 37 rights in the UN Declaration only six are addressed in half or more of the documents by the FTSE 100 firms. Some issues that are addressed had rather low inclusion rates, such as the rights to privacy or to limited work hours to safeguard leisure. The predominant emphasis in the corporate human rights policies was thus on the negative rights to respect human rights rather than the positive rights associated with fulfilling these. Overall, the FTSE 100 human rights policies have thus not dispelled fears by observers that ‘MNCs have thus far shown meagre interest in the sociocultural welfare or human rights of the vast majority of the people living in host countries’ (Monshipouri et al. 2003; p. 987).

Like all research, this article has a number of limitations. Since its focus was on human rights policies adopted by the FTSE 100 companies, the findings may reflect a bias stemming from the cultural and regulatory environment of the United Kingdom. As it utilised a content analysis method, the study can furthermore not comment on the

⁸ Cadbury was taken over by US company Kraft Foods in February 2010.

impact of the identified policies on corporate human rights performance (on the link between quality and effectiveness of codes of conduct, see Erwin 2011). These limitations point to a range of avenues for future research. One insightful research design could aim to uncover cross-cultural differences in corporate approaches to human rights and thus remove the possible UK bias. As this article focussed on large firms, further research could also investigate how small- and medium-sized firms engage with the human rights challenge. The actual impact of human rights policies could be studied through case studies, in particular of the companies and sectors that were identified as leaders in this article.

Notwithstanding these limitations, the article offers a number of contributions to theoretical conceptualisations of CSR. These concern in particular the analysis of the role of public pressure in CSR, both in terms of being a key driver and in terms of having significant limitations. The significance of public pressure for CSR is evident in the finding that the industries that have moved furthest on this issue are those under public scrutiny, i.e. the traditional 'lime-light sectors' of alcoholic beverages, oil and gas and tobacco; however, public pressure is hampered in the reach it has. Amongst the FTSE 100 firms, investment trusts and property management and construction firms had, respectively, the lowest rates of adopting CSR tools in general and of adopting CSR tools but not addressing human rights in these. Both sectors operate at considerable distance from the critical gaze of the public, NGOs and consumers and hence have little to fear from an underperformance in the human rights area (Muchlinski 2001). Particularly for financial services, a mismatch emerged between the significant impact their investments can have on human rights and their lacklustre engagement with the topic. In other words, corporate engagement with human rights appears to be driven not so much by the significance of the issue for an industry or firm but by the degree of exposure to public pressure the industry or firm experiences. This limited reach of public pressure would seem to indicate, once again, that voluntary initiatives have considerable limitations for the quest to get business to accept responsibilities that go beyond narrow economic ones.

Appendix 1: Extract from the Human Rights Policy of Prudential Group

The Human Rights Policy of insurer Prudential Group shows the clearest alignment with the UN Declaration in the sample. The document refers to the individual articles of the Declaration and lists those that the company sees as applicable:

We strongly endorse the principles set out in the Universal Declaration of Human Rights, in particular those relevant to our operations which are:

- The right to freedom from discrimination;
- The right to personal safety and security;
- The prohibition of slavery: forced or child labour;
- The prohibition of torture, cruel, inhuman or degrading treatment or punishment;
- The right to privacy;
- The right to religious freedom;
- The right to freedom of opinion and expression;
- The right to freedom of peaceful assembly and association;
- The right to free participation in political life;
- The right to work;
- The right to rest and leisure
- The right to an adequate standard of living;
- The right to education;
- The right of minorities and indigenous peoples to protect their identity;
- The right to cultural participation.

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