



**BOSTON COMMON**  
**ASSET MANAGEMENT, LLC**

**TO:** Dr. John Ruggie, United Nations Secretary General's Special Representative on Human Rights & Business

**RE:** Submission to the Special Representative for Business and Human Rights on the Draft Guiding Principles

**FROM:** Boston Common Asset Management  
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**DATE:** January 2011 *(submitted via email to [regaignon@business-humanrights.org](mailto:regaignon@business-humanrights.org))*

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**Overview**

Boston Common Asset Management welcomes the opportunity to provide comment on relevant aspects of the Guiding Principles for the Implementation of the United Nations "Protect Respect and Remedy" Framework. We wish to thank the Special Representative of the Secretary-General (SRSG) on human rights and transnational corporations John Ruggie for his long standing commitment to understanding issues at the nexus of human rights and business, fostering a multi-stakeholder discussion of those issues, and articulating options for a path forward. This consultative process has prompted valuable discussion among the business and human rights communities, highlighting areas of agreement and division.

In 2008 The Human Rights Council unanimously endorsed the "Protect Respect and Remedy" Framework and asked the SRSG to provide "concrete and practical recommendations" to give the Framework life. The resulting Guiding Principles further move the Framework from academic exercise to practical guideposts. We hope additional revisions, some of which we suggest here, help overcome divisions between business and human rights groups that the SRSG's work has highlighted. Boston Common's comments touch on three Guiding Principles we consider critical based on our experience as an asset manager dedicated to the long-term sustainable growth of corporations in which we invest. However, we consider the entire Framework and full set of Guiding Principles as necessary and interdependent.

**Specific Comments**

**Guiding Principle 12: Foundation Principles**

As an asset manager that actively engages transnational corporations on issues relevant to long-term sustainable growth, Boston Common supports the foundational principle that business enterprises not only should, but *must* respect human rights. Disregarding internationally recognized human rights encapsulated in the ILO core conventions, International Bill of Human Rights and elsewhere can be indicative of poor risk management more generally. This is especially true for companies operating in the "permissive environments" highlighted by the SRSG, where the potential to violate human rights is high even if such violations are unintentional. Indeed, the unintended violation of rights represents a significant risk.

Managements that do not proactively commit to respecting human rights in all facets of business operations set up the company—and its shareholders—to take on risks not fully understood and where response preparedness is low. Boston Common is therefore supportive of GP12 and would recommend strengthening the language to convey that at the most basic level acknowledging respect for human rights is an imperative, not an optional “should”.

### **Guiding Principle 15: Human Rights Due Diligence**

Boston Common Asset Management fully supports the Principle that business enterprises should carry out human rights due diligence, that such due diligence should assess both actual and potential impacts on human rights, and that performance should be communicated to stakeholders.

The commentary to GP15 states that human rights due diligence can be included in broader risk management systems. Presuming those systems are robust and already integrated into high-level analysis and decision making processes, hooking in to existing systems is an important option to consider. In Boston Common’s experience discussing human rights related issues with management of numerous transnational corporations, we have found that human rights specific due diligence can be relegated to isolated teams that do need feed into the risk management process at the appropriate level. Putting human rights due diligence on equal footing with other standardized due diligence practices can provide the crucial bridge from human rights as a ‘CSR issue’ to human rights as a legitimate business risk.

Point b of GP15 further states that human rights risks may change over time as operating contexts evolve. This strengthens a main component of the Principle—that the due diligence process should include *potential* human rights impacts, not just those that have already been realized. Boston Common’s experience engaging companies in the technology sector on human rights risk has brought the importance of scenario analysis into high relief. Operational contexts are in flux and human rights will brush up against business enterprises in new ways going forward. Preparedness for these possibilities is crucial risk management.

### **Guiding Principle 19: Communication**

Public communication of human rights performance is absolutely essential. Managements that expect stakeholders to simply “trust us” are coming under increasing pressure from shareholders and other interested parties to actually demonstrate robust risk management in connection to human rights. Boston Common therefore welcomes the SRSG’s inclusion of GP19 as an indispensable form of accountability.

Unfortunately, public communication on human rights risk is thoroughly under-developed by many business enterprises. As a result, accountability is weak and the general mood regarding corporate human rights commitments is low. It has been Boston Common’s experience that human rights performance is often reported in lofty statements, lacking data or discussion of specific action. Boston Common therefore supports the SRSG’s commentary that reporting should “cover topics and indicators that reflect the business enterprise’s actual and potential adverse impacts on human rights.” We understand that the GPs represent guide posts on what a business enterprise should or could do. With respect to communication and accountability for stated commitments, however, Boston Common challenges the SRSG to strengthen language to convey that public communication and accountability measures are imperative. Without them, credibility of the Framework is seriously compromised.

## **Conclusion**

A public commitment to respect human rights (Guiding Principle 12), a robust due diligence process that holds business enterprises accountable to that commitment (Guiding Principle 15), and a high level of transparency and communication with stakeholders on human rights process and performance (Guiding Principle 19) are necessary if the SRSG's Protect, Respect and Remedy Framework is to achieve what it set out to do—limit corporate abuses, both direct and unintentional, of human rights.

The Guiding Principles in their current form provide important benchmarks for the management of business enterprises to consider as they evaluate the potential for operations to violate human rights and set up processes to mitigate that possibility.

Boston Common recommends strengthening the language in GP12 to convey that at the most basic level acknowledging respect for human rights is an imperative, not an optional "should". Without this high-level commitment it is unlikely that meaningful action will take place. Boston Common also challenges the SRSG to strengthen the guideposts on communication in GP19 to convey that transparency and accountability measures are imperative. Without them, credibility of the Framework is seriously compromised. We applaud the SRSG for articulating the importance of assessing both actual and *potential* impacts on human rights as part of the due diligence process.

Please follow up with Boston Common Asset Management via Associate Director of ESG Research Dawn Wolfe with any feedback or questions at [dwolfe@bostoncommonasset.com](mailto:dwolfe@bostoncommonasset.com).