

CORPORATE SOCIAL RESPONSIBILITY

HUMAN RIGHTS

Issue Paper

BACKGROUND

"In the name of the God who creates every human being out of love, this church teaches human dignity is God's gift to every person and that the commitment to universal rights protects that dignity." By teaching about human rights, protesting their violation, advocating their international codification, and supporting effective ways to monitor compliance, the church meets it commitment to work for human rights.

As part of its pledge to uphold human rights, this church has consistently supported international organizations in their work to safeguard human rights. The inherent dignity and the equal and inalienable rights of all members of the human family are at the heart of the movement to preserve, protect and promote human rights, as described by the 1948 <u>Universal Declaration of Human Rights</u> by the United Nations: "Human rights provide a common universal standard of justice for living with our differences, and they give moral and legal standing to the individual in the international community."

The concept of human rights is regularly updated and refined. Corporate social responsibility is often guided by the 2011 U.N. Human Rights Council-endorsed "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework" proposed by U.N. Special Representative John Ruggie. The "Ruggie Principles" are organized under the U.N. Framework's three pillars:

- The **State Duty to Protect** Human Rights.
- The **Corporate Responsibility to Respect** Human Rights.
- The need for greater **Access to Remedy** for victims of business-related abuse.

ELCA SOCIAL POLICY

In 1995 the ELCA adopted the social statement <u>For Peace in God's World</u>, which states: "God's steadfast resolve for peace encompasses our time as it does all times. In creation and redemption, through Law and Gospel, God's faithful love acts for

Corporate Social
Responsibility in the
ELCA uses the tools of
screening of investments,
shareholder advocacy
and community investing
to work with corporations,
calling them to ensure
that people are treated
fairly and with dignity
and to create sustainable
communities.

More at ELCA.org/CSR.

i "Human Rights" (ELCA social message, 2017), pg. 2

ii For Peace in God's World (ELCA social statement, 1995) pg. 14

peace."iii The statement calls the church to be a disturbing presence, a reconciling presence, and a deliberating presence to promote respect for human rights.

The ELCA's 1999 social statement <u>Sufficient</u>, <u>Sustainable Livelihood for All</u> describes the relationship between corporations and politics: "The economic power of large transnational corporations continues to grow, making some of them larger than many national economies. Along with this financial strength comes an inordinate potential to influence political decisions, local and regional economies, and democratic processes in society. The power they wield, enhanced through mergers and buyouts, can have positive effects, but it can also hold others captive to transnational corporate interests. The global community must continue to seek effective ways to hold these and other powerful economic actors more accountable for the sake of sufficient, sustainable livelihood for all."

In 2017, the ELCA issued the social message "<u>Human Rights</u>" that affirmed the following broad categories of human rights, adapted from the church's historical body of social teaching.

- 1. Humans have the right to worship freely.
- 2. Humans have the right to free speech and to be educated.
- 3. Humans have the right to the protection of foundational relationships, such as marriage and family.
- 4. Humans have the right to equal access and participation in legal, civic and political decisions affecting them.
- 5. Humans have the right to full participation in a just and sustainable economy. Humans may not be treated as commodities.
- 6. Humans have the right to physical goods such as water, food, shelter and health care as sourced sustainably.

Using the above guidelines, this church answers God's call to "proclaim the Gospel of God's final peace and to work for earthly peace."

CORPORATE RESPONSE

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While we have been accustomed to governments setting boundaries to prevent human rights abuses, many countries do not provide adequate safeguards. In response to the challenge presented by globally diverse supply chains, there has been a growth of concern within a number of corporations for the human rights of those who are most vulnerable. As noted earlier, corporations are now called to set principles to promote human rights within their own operations that ensure safe and humane work conditions within their supply chains and within the societies in which they operate. Many corporations have developed policies that support the Universal Declaration on Human Rights and the fundamental conventions of the International Labor Organization (ILO). Corporations have addressed

For Peace in God's World (ELCA social statement, 1995) pg. 3

RECOMMENDED by the Advisory Committee for Corporate Social Responsibility, Jan. 6, 2004.

ENDORSED by the Division for Church in Society Board, February 27, 2004.

APPROVED by the Church Council, April 16-18, 2004.

UPDATED by Advisory Committee for Corporate Social Responsibility, January11, 2008.

APPROVED by Church Council, April 2008 [CC08.04.XXa].

APPROVED by Church Council, November 11, 2012 [CC12.11.44w].

UPDATED by Corporate Social Responsibility Review Team, September 5, 2019.

APPROVED by Church Council, November 10, 2019 [CC19.11.47i].

iv Sufficient, Sustainable Livelihood for All (ELCA social statement, 1999), pg. 13

v For Peace in God's World (ELCA social statement, 1995) pg. 1

community engagement, safety and healthy working conditions, sustainable wages and community engagement (especially with regard to indigenous community concerns). Some lay out criteria for selection of and withdrawal from a country of operation, as well as how their work in this area will be verifiable and transparent. Shareholders have begun calling for corporations to use methods of reporting out such as via the <u>U.N. Guiding Principles Reporting Framework</u> or organizations such as <u>Know the Chain</u>.

SOCIAL CRITERIA INVESTMENT SCREENS

The social criteria investment screens on political and civil human rights, approved by the ELCA Church Council in 2018, responds to this issue.

RESOLUTION GUIDELINES FOR ELCA

- We support asking a corporation for the development, adoption, review or implementation of its policies related to human rights for a company and its supply chain.
- 2. We support review of a company's operations in particular locations when our public policy position or partner churches and agencies express concerns about operations. This includes reports on risk assessment and policy on additional responses in areas experiencing conflict or occupation.
- 3. We support requests asking a corporation to endorse the Universal Declaration on Human Rights.
- 4. We support requests for reports on policy and the implementation of a corporation's policy with respect to the "Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework." This may include international production facilities, international suppliers and commitment to independent monitoring of compliance with the policy.
- 5. We support requests for reports on policy and implementation of a corporation's policy with respect to the U.N. Declaration on the Rights of Indigenous Peoples.
- 6. We support reports outlining policy, procedure and practices for obtaining free, informed and prior consent of indigenous peoples affected by corporate activities through their recognized and official governance structure, and policy to avoid contact with indigenous peoples living in voluntary isolation.
- 7. We support the adoption of a human rights policy including the prohibition of sexual exploitation of minors incorporating comprehensive, transparent and verifiable sections to address provisions contained in "The Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism."
- 8. We support adoption of policy and practices, as well as reports addressing modern-day slavery in a company's global operations and supply chain to ensure the protection of fundamental human rights.

- 9. We support adoption of policy to include respect for and adherence to the preservation of the traditional knowledge rights of traditional agricultural communities, including enjoyment of their own means of subsistence.
- 10. We support the adoption of a comprehensive policy articulating the respect for and commitment to the <u>human right to water</u>.
- 11. We support reports on systems to ensure a company contractor and suppliers are implementing human rights policies in their operations, including monitoring, training, addressing issues of noncompliance and assuring that no modern-day slavery concerns exist.
- 12. We support reports regarding the expectation to privacy and freedom of expression on the internet. Such reports may deal with individual situations, resisting demands for censorship, and when a company agrees to legally binding government filters, data retention or third-party use of data.
- 13. We support reports evaluating strategies and policies on content governance, including the extent to which they address human rights abuses and threats to democracy and freedom of expression, and the reputational, regulatory and financial risks posed by content governance controversies.
- 14. We support asking a corporation to endorse any of the following sets of principles:
 - a. Bellagio Principles.
 - b. Convention on the Rights of the Child, Article 32.
 - c. Wood Sheppard Principles.
- 15. We support requests for reports on the use of criminal background checks in hiring and employment decisions for a company's employees, independent contractors and subcontracted workers, including evaluation of the resultant risk of racial bias.
- 16. We support requests to evaluate the feasibility of adopting a policy of not doing business with governments that are complicit in genocide and/or crimes against humanity as defined by the U.S. Department of State or the appropriate international body.
- 17. We support requests to prohibit sales of facial recognition technology until an independent evaluation has concluded that its use is not contributing to violations of human rights.
- 18. We support reports addressing the human rights risk posed by detention without parole of all asylum-seekers and separating minor children from their parents who have been accused of entering the U.S. illegally.