

# CORPORATE SOCIAL RESPONSIBILITY

# **HUMAN RIGHTS AND SUPPLY CHAIN**

Selective Purchasing Guide

#### **BACKGROUND**

Some of the most commonly used consumer goods in the United States, from phones and computers to agricultural products, originate on another continent with different and sometimes significantly worse labor standards and conditions. Corporations may either ignore violations in their supply chains or shift the cost of compliance with labor standards onto suppliers, who may not have much incentive to ensure that they are meeting standards. Global corporations often support human rights publicly, but what's happening further down in their supply chains may not match public commitments.

International bodies are working to address human rights. The ELCA supports the work of the United Nations (including its Security Council and Human Rights Council) and the <u>International Labour Organization</u> in working to develop and safeguard human rights, and it affirms the Universal Declaration of Human Rights. The United Nations' <u>Guiding Principles on Business and Human Rights</u> offers a framework for human rights in a corporate setting, as well as standards for addressing violations of human rights. The <u>Organisation for Economic Cooperation and Development</u> publishes <u>guidelines</u> for responsible business conduct with regard to human rights.

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.

#### **ELCA SOCIAL TEACHING**

"Human Rights," 2017 social message

"As Christ on the cross did not lose his dignity, but in fact revealed himself fully in vulnerability, every human who is being mistreated retains the image of God that confers dignity. A society should not deny a person's dignity for any reason. This is true even if that person has acted maliciously and treated others inhumanely. God's gift of dignity is immutable, indivisible and inseparable from our being" (p 4).

"This church also has a responsibility to exercise its financial power as an investor prudently and for the sake of our neighbor and all of creation. This power can be used to focus attention on egregious violations of human rights and to press corporate responsibility to respect human rights, whether through dialogue, advocacy or investment screens" (p 9).

Sufficient, Sustainable Livelihood for All, 1999 social statement

"No one should be coerced to work under conditions that violate their dignity

or freedom, jeopardize their health or safety, result in neglect of their family's wellbeing, or provide unjust compensation for their labor" (p. 9).

"We call for ... government enforcement of regulations against discrimination, exploitative work conditions and labor practices (including child labor), and for the right of workers to organize and bargain collectively" (p.10).

### DO YOUR RESEARCH

The <u>World Benchmarking Alliance</u> publishes regular rankings of corporations in key industries. <u>Here</u> they have ranked 127 multinational corporations on their human rights performance. Perhaps the most important observation, as of the writing of this guide, is that corporations very often do not ensure that their suppliers are meeting the human rights standards to which the corporation has made public commitments.

The Business & Human Rights Resource Centre collects data on individual companies and publishes rankings. Choose a company under "Company Dashboards."

<u>Know the Chain</u> publishes global supply chain rankings for information technology, apparel and footwear, and food and beverages.

### **NEXT STEPS**

The complexity of global supply chains makes avoiding human rights violations in consumer products complicated. You may want to choose whether you are focusing on a specific issue such as child labor or on the overall political and civil rights climate in a country of operation. Or perhaps you would choose a producer by their overall benchmark.

### THINK BEFORE YOU BUY

"We consume goods and use services to meet our needs. To increase consumption and expand sales, businesses stimulate ever new *wants*. Rather than human need shaping consumption, advertising and media promotion both shape and expand *wants*. Our very being becomes expressed through what we have or desire to possess. When consuming to meet basic needs turns into consumerism as an end in itself, we face a serious crisis of faith" (*Sufficient, Sustainable Livelihood for All*, p. 13).

#### DO I NEED TO BUY THIS?

- 1. Am I being swayed by our consumer culture or marketing into believing I need something that I do not?
  - Is there something else I could use or recycle instead of buying a new one?
  - Could I put off buying it just a little longer?

- 2. What impact will this purchase have on the environment?
  - What environmental impact does the sourcing of raw materials have?
  - How much pollution does its production involve?
  - How much pollution does its operation involve?
- 3. What impact will this purchase have on the people who produce it?
  - Are human rights violations common in the supply chain?
  - Are the raw materials sourced from conflict-affected areas?
  - What are the labor conditions in the country where it is produced?
- 4. What happens when I am finished with it?
  - Can someone else use it?
  - Is it possible to reuse or recycle it?