

## Policy Statement - Human rights and conflict

### 1. Preamble

- 1.1.** Human rights can be defined as inalienable fundamental rights to which every person is entitled simply by virtue of their being human. Many claim that the concept of rights is strong within the scriptures; God's endowing of human beings with his image means that humans have worth, and this is a source of rights. It can be discerned from the biblical narrative that God is wronged by injustice and has the right to hold humans accountable for injustice. Thus, for example, in Isaiah 1:17, the prophet says:
- "Seek justice, rescue the oppressed, defend the orphan, plead for the widow".
- 1.2.** However we cannot read from the Bible an unequivocal endorsement for human rights as the scriptures originate from a time long before the development of a concept of intrinsic individual rights. Indeed it is suggested that there are no means of expression in Hebrew, Greek, Latin or Arabic for 'a subjective right' until about 1400 AD.
- 1.3.** The emphasis in Jewish and Christian traditions of the uniqueness of the individual before God was a significant foundation in the development of modern formulation of human rights theory; diverse Christian influences before and during the 1940s played a prominent role as the institution of the United Nations was being created, and the Universal Declaration of Human Rights (UNDHR) drafted.
- 1.4.** There is some divergence of opinion in many aspects of secular and religious human rights discourse, and this may have significance for the way companies approach and respond to human rights challenges, notably with respect to:
- The balance between civil and political rights on the one hand, and social, cultural and economic rights on the other, often presented as the main difference in interpretation between developed and developing nation traditions;
  - The nature and role of the nation state in protecting rights
  - The authority for the use of force to protect rights particularly in respect of military intervention in sovereign nation states
  - Individual and/or communal rights to natural capital
  - Whether or how to acknowledge the rights of future generations

### 2. Methodist tradition

- 2.1.** We can detect from the actions and statements of the Methodist Church a consistent desire for strengthened human rights protection. Statements relating to the rights of Palestinians and Jews in the Middle East, detainees at Guantanamo Bay, and water as a basic human right, are key examples. In 2008 the Joint Public Issues Team of the Methodist, Baptist and United Reformed Church, published a study/prayer resource to celebrate the 60th anniversary of the Universal Declaration of Human Rights.

### 3. Issues of concern

- 3.1.** Gross human rights abuses are not limited to conflict zones. However in the context of conflict, civil and political rights are particularly threatened. Belligerent parties to conflict (whether state parties or militias) frequently develop business interests or seek to control private enterprise in order to fund their political or military campaigns. Modern conflict all too frequently engulfs local communities through conscription, as hostages, direct targets, or as a result of the activities of criminal militias. When violent conflict comes to an end the parties to conflict may well retain significant influence in their communities. Companies need to be aware of conflict dynamics even after peace has been declared.
- 3.2.** Whilst this Policy Statement concentrates on investment, human rights and conflict, it is recognised that companies may be exposed to other human rights risks as a result of their global operations or supply chains. These include:
- Discrimination (gender, caste, race etc.)
  - Land or property rights
  - Self determination and the right to freedom of movement, freedom from bonded or slave conditions etc.
  - Labour issues including the right to organise, collective bargaining, sufficient rest and leisure etc.
  - A healthy and safe working environment
  - The rights of the child
- 3.3.** The expansion of capital investment into new markets in recent decades poses many challenges. There is widespread acknowledgement that in many instances state legislation and institutional capacity for protecting human rights in these markets is insufficient. How the international and business community addresses these governance gaps is therefore a key issue.

## **4.** [Policy statement](#)

- 4.1.** We have the following reasonable expectations of companies, particularly those operating in conflict zones, with respect to their performance on human rights.
1. The company subscribes to recognised international human rights instruments, and is cognisant of the UN Guiding Principles regime of Protect, Respect and Remedy, and can demonstrate how these are reflected in its policies and practice;
  2. Guidelines for human rights due diligence procedures are publically available;
  3. Information is available on what might constitute a ‘material’ human rights risk requiring disclosure to shareholders in financial reports;
  4. Specific attention is paid to conflict sensitive areas where there is a consistent record of egregious human rights abuse. Special measures are considered in such circumstances. These would include ensuring conformity with any home state government’s advice for commercial activity in the specific conflict area; an independently facilitated human rights impact assessment or conflict impact assessment is commissioned and undertaken at an early stage of project development;
  5. There exists a willingness to learn from past experience and to share that learning with shareholders. The learning should inform corporate policy and practice such that companies should be able to enter into dialogue around future contracts, business relationships or practices that they would consider ethical or unethical in a specific context and in the light of past experience;
  6. Joint Venture partners or subsidiaries would be expected to conform to a comparable standard of human rights policy and practice. Business relationships should be reviewed when this is not the case;

7. The human rights policies of a company detail the expectations of partners within the supply chain or other strategic business partners (including state owned enterprises);
8. In particularly challenging human rights environments, if it is deemed to be too difficult to avoid complicity in human rights abuses the company shows willingness to suspend its operations. Exceptionally, an alternative course might be justified if a company can demonstrate that through its presence it is influential in bringing about change, or is material to supporting a local community;
9. In the context of conflict, if it is assessed that the business is having an overall adverse impact on conflict, and that this cannot be remedied, the company should be willing to suspend operations;
10. Policies are in place for providing access to remedies. Prompt action is taken to hear and consider complaints of human rights abuses, involving external mediation where desirable;
11. There is transparency of a company's lobbying of national or international forums on legislative matters in relation to human rights. Companies are willing to support reasonable legislation designed to help close the governance gaps that prevent many from achieving the full realisation of their human rights.

- 4.2. As concerned investors the CFB and the Methodist Church would seek open dialogue and engagement with companies on human rights policy and performance.
- 4.3. Engagement is the principal medium for seeking to bring about an improvement in a company's policies and practice in respect of human rights.
- 4.4. In instances where there are material concerns, CFB will seek to evaluate, via engagement, the extent to which the specific concern may be indicative of:
  - a systemic failure on the part of the company concerned;
  - the extent to which the company is able to mitigate and improve, and
  - the quality of risk management when entering or continuing operations in territories with acute human rights challenges.
- 4.5. If a company is unwilling to enter into serious dialogue, or to address legitimate, material concerns, JACEI may be asked to take a view on the acceptability of the investment, and ultimately recommend that CFB disinvests.
- 4.6. This might depend on the severity of the concerns in question. Failure to be responsive to a significant human rights issue falling within the fifth, sixth, eighth or ninth points in Para 4.1 above, could give sufficient cause for concern to lead to a decision to recommend disinvestment.

June 2013