# Money, Millennials and Human Rights — Sustaining "Sustainable Investing"


**John G. Ruggie**
Corporate Social Responsibility Initiative, Harvard Kennedy School

**Emily K. Middleton**
Corporate Social Responsibility Initiative, Harvard Kennedy School



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**John G. Ruggie and Emily K. Middleton**

John G. Ruggie is the Berthold Beitz Professor in Human Rights and International Affairs at Harvard's Kennedy School of Government, Affiliated Professor in International Legal Studies at Harvard Law, and Faculty Chair of the Kennedy School's Corporate Responsibility Initiative. He previously served as UN Assistant Secretary General for Strategic Planning (1997-2001) and UN Special Representative for Business and Human Rights (2005-2011).

Emily K. Middleton is a recent master's graduate of the Harvard Kennedy School, where she was a UK Kennedy Memorial Trust Scholar. She has previously worked for UNICEF Innovation and the Boston Consulting Group, where she focused on financial technology and digital transformation.

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As recently as the late 1990s, "there was no recognition that companies had human rights responsibilities," according to Arvind Ganesan, head of business and human rights at Human Rights Watch.[1] Today, that responsibility is increasingly recognized by global firms as well as the transnational regulatory ecosystems in which they operate. According to the *Economist*, the "watershed event" in gaining recognition for the corporate responsibility to respect human rights was the endorsement by the United Nations in June 2011 of the Guiding Principles on Business and Human Rights (UNGPs).[2] UN High Commissioner for Human Rights, Zeid Ra'ad Al Hussein, calls the UNGPs "the global authoritative standard, providing a blueprint for the steps all states and businesses should take to uphold human rights."[3]

Of course, this responsibility is far from being universally acted upon even in societies where the recognition itself is relatively robust. "We didn't take a broad enough view of what our responsibility is, and that was a huge mistake," Facebook CEO Mark Zuckerberg conceded in the wake of the Cambridge Analytica privacy breach fiasco, in which as many as 87 million Americans' user profile data was compromised and then weaponized in the 2016 United States presidential election.[4]

Capital markets and stock analysts in particular have been remarkably slow to catch on to the issue of corporate responsibility, let alone human rights specifically, even as their salience to companies and stakeholders has increased significantly for the past two decades. But that complacency is now being challenged by the fast growing interest on the part of asset owners and asset managers in "ESG" investing: taking into account environmental, social, and corporate governance performance of companies in making investment decisions. Some form of ESG investing, also known as "sustainable investing," now accounts for some $26 trillion or more than one-quarter of all assets under professional management (AUM) globally.[5]

However, a potential challenge for of ESG investing going forward is the lack of standardization and the mixed quality of information in all three domains, especially the S, which is by far the weakest. Social performance is about how well a company manages risks to people connected with its core business. In doing so, it drives positive outcomes for society and protects and creates value for the business. Thus, the S domain in ESG is heavily populated with human rights-related elements, as seen in Table 1. But these are seriously under-conceptualized and fail to draw on well-established substantive and procedural human rights standards. Fixing this problem would improve the reliability and comparability of S ratings, and of trust in ESG data overall.

The first part of this paper examines the rise and current state of ESG investing. The second addresses the conceptual and statistical weakness of the S domain. The third describes how drawing on internationally recognized human rights standards can strengthen the S and thereby improve the robustness and comparability of ESG aggregations. This should interest investors, issuers, and human rights advocates alike.

## I. ESG INVESTING

The socially responsible investing industry (SRI) has existed since the 1970s, when the first socially screened mutual funds were established.[6] In the 1980s major pension funds took part in the divestment campaign against the apartheid regime in South Africa. In the 1990s, the first research firm was established to market social and environmental data on publicly traded companies to the investment community. Rating agencies using such data soon followed. Multi-stakeholder initiatives establishing principles for environmental and social reporting by companies, such as the Global Reporting Initiative, also emerged at this same time. ESG investing morphed out of this context. Today, the ESG ecosystem includes a large and complex array of actors, private and public, for profit and non-profit, as seen in Appendix I.

### Elements

Table 1 is a composite of ESG elements commonly used by data providers and raters.[7] Indicators measuring these elements can number in the hundreds, but they and the algorithms that produce usable data points almost always are proprietary.

**Table 1: Typical ESG Elements**

| ENVIRONMENTAL ("E") | SOCIAL ("S") | GOVERNANCE ("G") |
|---|---|---|
| Biodiversity/land use | Community relations | Accountability |
| Carbon emissions | Controversial business | Anti-takeover measures |
| Climate change risks | Customer relations/product | Board structure/size |
| Energy usage | Diversity issues | Bribery and corruption |
| Raw material sourcing | Employee relations | CEO duality |
| Regulatory/legal risks | Health and safety | Executive compensation schemes |
| Supply chain management | Human capital management | Ownership structure |
| Waste and recycling | Human rights | Shareholder rights |
| Water management | Responsible marketing and R&D | Transparency |
| Weather events | Union relationships | Voting procedures |

### Magnitude

The number of investment Funds using ESG factors has grown exponentially, from fewer than 50 in 2000 to nearly 1,100 in 2016.[8] According to the Global Sustainable

Investment Alliance, by then those Funds had more than $26 trillion in assets under management (AUM), or roughly one-quarter of all AUM. [9] More than half of all Funds in Europe and Australia include ESG criteria; in Canada nearly 38%; in the United States fewer than 22% do, perhaps reflecting the American financial sector's still relatively narrow conception of what constitutes shareholder value and materiality.

As of 2018, the UN Principles for Responsible Investment, established more than a decade earlier as a public-private partnership, has more than 2,000 institutional signatories with roughly $70 trillion AUM, committed to incorporating ESG criteria into their analyses as well as ownership policies and practices. Bloomberg terminals began to include ESG data in 2010, and by 2016 more than 100 rating agencies were providing ESG information and rankings of companies.[10] Large data providers and raters may have ESG information on more than 5,000 companies in their data base. All major asset managers now offer ESG products, including BlackRock, J.P. Morgan, Merrill Lynch, Goldman Sachs, and State Street.

**Why Now?**

The rapid growth of ESG investing in part explains itself. The E reflects the growing urgency but also opportunities posed by environmental challenges, especially climate change. The S signals the risks to business of adverse impacts that corporate conduct may have on people, in global supply chains for example—coupled with the recognition that the social sustainability of business models requires some measure of aligning the core business with societal needs. The G affirms that the quality of corporate governance is closely related to value creation—or destruction. All three acknowledge that business has an independent role to play in these matters quite apart from whatever governments may or may not require. Indeed, the current boom in ESG investing began in the aftermath of the 2008 financial sector meltdown, which implicated failures by government and the financial industry alike.

More specifically, technology is driving ESG investing. Big data combined with more sophisticated machine learning algorithms have enabled analysis of the environmental, social and governance performance of companies on a scale that manual assessments simply cannot match. For instance, a leading rater states that it uses more than 1,000 ESG data points covering 6,400 companies (11,800 total issuers, including subsidiaries) globally. [11] This is creating previously unknowable levels of transparency.

The most persuasive drivers for doubters is the fact that many ESG Funds have begun to perform as well as, or at least no worse, than their mainstream counterparts. A meta-study of 200 papers and reports found either a positive or neutral correlation between ESG equity funds and conventional indexes.[12] A similar although somewhat weaker correlation has been reported for bond indexes.[13] A survey of more than 400 mainstream senior investment professionals finds that investment performance is the most frequently cited reason for their using ESG data, followed by client demand and product strategy.[14] Even the *Wall Street Journal* acknowledges that "Do-Good Funds Finally Are Paying Off in Performance" —but adds "Will it Last?"[15]

**The Millennials Boost**

The demand for ESG investing should last if numerous reports from consultancy and financial press reports are correct. These contend that the factors pushing ESG investing will get a considerable boost from a substantial intergenerational wealth-transfer, from baby-boomer parents to millennials (born 1981-1996). Estimates vary, but $30 trillion over the next several decades is frequently cited.[16] Of course this remains speculative, but some evidence is already available.

For example, U.S. Trust finds that 76% of high net-worth millennial investors have reviewed their assets for ESG impact, versus an overall average of 34%.[17] A Morgan Stanley survey suggests that millennial investors are twice as likely as others to invest in companies that incorporate ESG practices.[18] Women do so more than men, and the percentage of women investors overall is increasing.[19] Deloitte notes that 76% of millennials believe that business can be a force for social good but that only 59% of multinational corporations play that role today, a gap that may well affect their future investment decisions.[20] EY reports that millennials "are achieving greater integration of their money and values,"[21] while McKinsey contends that Chinese millennials "have more balanced aspirations between achievement and enjoying life" than previous generations.[22] Finally, millennials are far more tech-savvy than their elders and will expect personalized products and experiences. [23] In short, indications are that ESG investing should continue to grow.

One inference we can draw from the foregoing trends is that asset managers who are not fluent in ESG investing will end up being less successful than those who are. But they depend on not only the quantity but also the quality of ESG information. Therein lays a problem, especially regarding the S domain.

## II. THE S IN ESG

There are inconsistencies in how the individual ESG elements are conceived, what indicators are used and how they are measured, and in the relative weights assigned to different elements and indicators. The lack of transparency of the metrics and algorithms raters use compounds the problem. According to an MIT Sloan project on ESG measurements (which calls itself "aggregate confusion"), "if we take two of the top five ESG rating agencies and compute the rank correlation across firms in a particular year, we are likely to obtain a correlation of the order of 10 to 15 percent."[24] This creates a problem for investors, who may be paying high costs for misleading data, as well as for issuers, if flawed ratings adversely impact investor decisions.

S scores are the least reliable. The environmental domain lends itself more readily to the specification of elements for which quantitative indicators can be identified or created. The G domain has national standards on the basis of which overarching common elements can be constructed. The weakness of the S begins with the fact that the elements and indicators are likely to be largely "homemade" in the "kitchens" of different data providers, where the "chefs" mix various ingredients they believe might work and then test them with some clients.[25] Metrics may be changed over time, possibly in response to complaints from companies about their ratings. This can be done by re-conceptualizing the elements as well as by sharpening indicators or, more commonly, by adding more of them—which may add noise to the system rather than greater fidelity.

No two data providers are likely to start from the same place or make the same kinds of adjustments. Therefore, it is little surprise that comparisons of S scores in ESG ratings yield the lowest correlations across different raters. A statistical analysis of corporate social responsibility ratings found that in only 3 of 12 pairs of raters was the correlation (barely) higher than 0.5; the lowest was -0.12, and the mean 0.3.[26] An NYU study that gained access to 1700 S indicators across 12 different reporting frameworks found that only 14 percent of "social" ratings products target investors as the primary audience, versus 97 percent of E and 80 percent of G ratings.[27] According to the same survey, only 8% of S ratings measure the impact of company practice, while 92 percent measure internal factors such as company policies or the number of training programs—measuring what's easy to measure, not what matters.

The way in which human rights elements are conceptualized in the S domain also plays into this poor performance. Look back for a moment at Table 1. The S column lists 10 elements (community relations, diversity issues, union relationships, health and safety, and so on), each of which will have numerous indicators that algorithms ultimately aggregate into an S score. The conceptual oddity is that virtually all of these elements are well-known business and human rights issues—while, at the same time, the list *also* includes a separate human rights category. This is a widespread practice. In our own survey of 14 different raters and rating frameworks, 74 out of 85 S elements were standard business and human rights issues; yet 8 of the 14 also included a separate human rights category.[28] Indeed, even under the E domain in Table 1 we find categories that have critical human rights impacts, including raw materials sourcing (community relations), supply chain management (workers' rights), and water usage (the right to water).

This disconnect demonstrates the problem of inconsistency and the resulting lack of comparability across different data providers and raters. But it does more than that. It suggests that well established human rights standards that include many if not most of the elements the S covers are ignored or applied haphazardly. These standards reflect international consensus by being embedded in international human rights treaties as well as soft law instruments that governments have adopted. Thus they can and should inform what analysts, data providers and raters should aim to measure, and what investors should care about, when it comes to the S—the "risk to people" dimension—in ESG. The following section outlines why and how the UNGPs assist in this task.

## III. THE UNGPs

Starting in the 1990s, companies with global supply chains in light manufacturing—such as apparel and footwear, electronics, and toys—as well as in the extractive sectors—oil, gas and mining—faced increasing stakeholder pressure, posing reputational, operational, financial, and legal risks. At issue in the former were unsafe working conditions, excessive working hours with little pay, and child labor. In the latter such issues as land seizures, threats to and sometimes shootings of protesters or artisanal miners, pollution of farm land or local water supplies were critical factors. Companies responded by developing codes of conduct, community relations programs, and issuing corporate responsibility reports. At the outset, sheer ad hocery prevailed; no two codes or reporting practices were alike. The situation gradually improved as a result of efforts by civil society and workers organizations, the United Nations, and companies themselves. ESG investing is on a similar trajectory, with a time lag.

As noted at the outset, today the UNGPs are considered the global authoritative standard for the business and human rights space. They are based on three pillars: the state duty to protect against human rights abuses by third parties, including business; the corporate responsibility to respect human rights in their own operations and through their business relationships; and the right of adversely affected individuals and communities to have access to effective remedy, in which both states and businesses have a role to play. There are 31 Principles in all, each with extensive commentary on their meaning and implications. The following discussion briefly outlines their uptake, scope, and procedural requirements.

### Uptake

Numerous global companies have integrated the corporate responsibility to respect human rights into their management and operating systems.[29] Workers organizations and NGOs use the UNGPs as an advocacy tool, affected individuals and communities as a basis on which to seek remedy. Other international standard setting bodies with a role in the business and human rights domain, such as the Organization for Economic Cooperation and Development, have replicated or drawn upon the UNGPs within their own spheres of competency. Some 40 governments have developed or are developing so-called national action plans for the UNGPs. The UNGPs are referenced in legislation and regulations addressing modern day slavery (California, UK), child labor protections (Netherlands, U.S.), non-financial disclosure (European

Union, UK), human rights due diligence (France), and in the terms of reference for the first national ombudsperson anywhere with the authority to investigate human rights abuses involving overseas operations by a country's companies (Canada).

The International Bar Association has issued guidance as to what the UNGPs mean and entail for the practice of business lawyers and law firms.[30] The Fédération Internationale de Football Association (FIFA) has adopted human rights commitments aligned with the UNGPs and now requires bidders for the World Cup, as well as FIFA contractors, to support those commitments, while the Football Players' Union has adopted a Players' Declaration of Human Rights referencing the UNGPs.[31]

In short, the UNGPs have cascaded into multiple spheres of business and business-related activity as well as regulatory policy—not because they are a legal requirement, but because business and other stakeholders have found them useful. The next section outlines what the corporate responsibility to respect human rights means and involves.

**The Responsibility to Respect**

States have the primary duties in relation to human rights, including protecting against harm by third parties, business among them. Under the UNGPs, business enterprises themselves have a responsibility to respect human rights—which means, at minimum, to avoid harming people's human rights through their own activities or through their business relationships, and to address harms that do occur.

Substantive human rights standards are laid out in international human rights instruments, beginning with the Universal Declaration of Human Rights (UDHR), adopted by the UN General Assembly in 1948 "as a common standard of achievement for all peoples and all nations."[32] All states have since expressed support for the UDHR, which recognizes some 30 human rights. At the global level, these standards have been further elaborated and codified in a range of international declarations, treaties, and conventions adopted by the United Nations and International Labor Organization.

Research conducted in developing the UNGPs showed that business enterprises can affect virtually all internationally recognized rights.[33] Therefore, none should be excluded ex ante, although some rights clearly will be at greater risk in some sectors or operating contexts and therefore will require greater attention. Internationally recognized human rights include rights to life and physical security, non-discrimination, rights to freedom of thought, expression and religion, freedom of assembly and movement, rights to education and work, to family life and privacy, to food and water, freedoms from torture, slavery or forced labor, as well as rights to fair and decent working conditions, freedom of association and the right to bargain collectively, the effective abolition of child labor, and the rights of indigenous people.[34]

Extensive guidance is available from the United Nations and other sources on what these elements mean and imply for business.

**Knowing and Showing**

The UNGPs stipulate that respecting human rights requires that a company have systems and practices in place enabling it to know and show that it does. These include:

- A public commitment to respect human rights that is embedded in a company's institutional culture;
- An ongoing process of human rights due diligence through which the company
  - assesses its risks to human rights, prioritizing the most acute;
  - integrates the findings into its decision-making and actions in order to mitigate such risks;
  - tracks the effectiveness of these measures;
  - communicates its efforts and results internally and externally;
- Processes for enabling or contributing to remedy for those harmed by the company's conduct.

These elements can be assessed using the UNGPs Reporting Framework, supported by a coalition of nearly 90 institutional investors with over $5.3 trillion AUM.[35] When used by companies, the Framework is not amenable to box checking or simple yes/no binaries; it involves intensive internal analyses and discussion.[36] For external observers, it guides the search for answers to questions like these: Does the company publicly describe how its commitment to human rights is governed and administered, in its own operations and throughout its business relationships? Does it identify its most salient human rights risks and explain how it arrived at the prioritization? Does it describe, explain, and illustrate its due diligence process, and how it enables remediation?

By delving more deeply into the *quality* of companies' policies and practices, analysts, data providers, raters and investors can obtain a richer profile of how well a company has internalized its responsibility to respect human rights than is commonly available. A pilot project conducted by the nonprofit Shift employing manual coding of publicly available information has demonstrated that it is entirely feasible to develop ordinal scales for these qualitative assessments.[37] An effort is now underway to automate the analysis through a combination of artificial intelligence and big data.

**Outcomes**

The elements discussed above are indicative of a company's efforts, not their results. Systematic outcome measures in the S domain have been difficult to obtain. But new non-financial reporting requirements and big data are making it progressively easier. Essentially, outcome measures consist of four types: actual and alleged company involvement in human rights harms; the timeliness and how substantive the company's response is; the relative satisfaction with the response by those who are directly affected as well as other stakeholders concerned with the issue; and whether or not a company's performance is improving over time, as it should be if it has an effective human rights due diligence process in place. Possible sources for this information include allegations by civil society and workers organizations, news reports, judicial records, social media, and various forms of remote sensing and reporting. In practice, balancing the many bits of information that may not always be in agreement – and managing the risk of bias – will necessitate careful judgments, calculations, and iteration.

In sum, both content and process standards exist to help define and assess the human rights elements in the S domain of ESG. Using them would enable more robust and comparable ESG aggregations than we currently see.

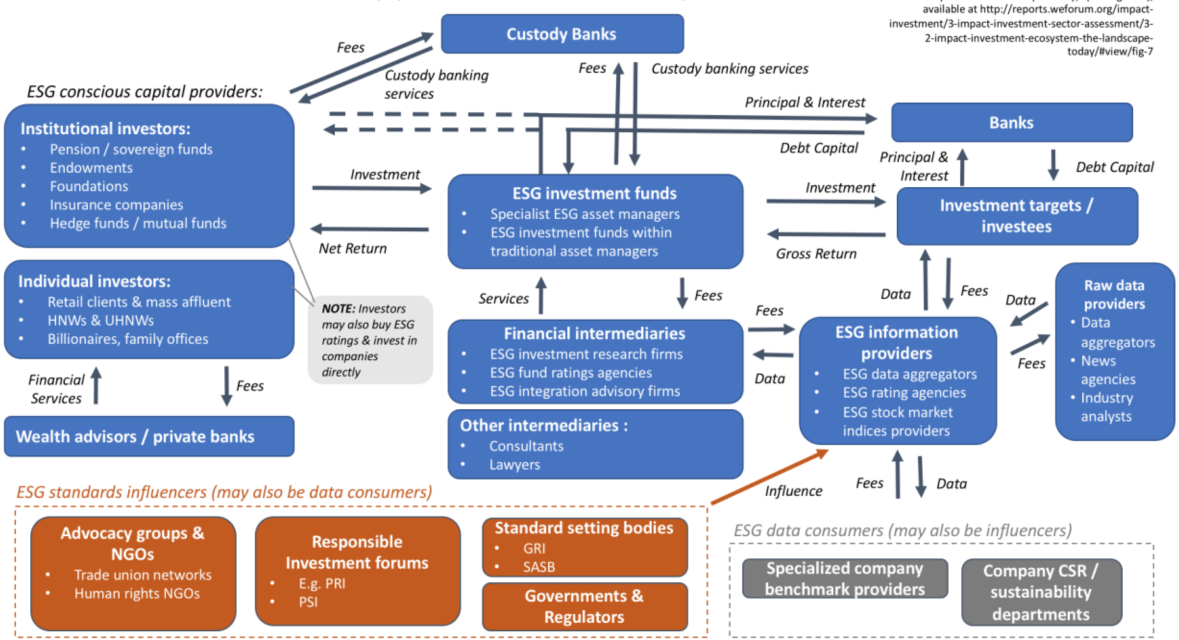
## IV. CONCLUSION

The S remains the weakest link in the ESG chain; ad hocery has prevailed. We have argued that this need not be so, for two main reasons. First, many of the elements we do find under the S either are human rights elements or are closely related to them. Second, there are internationally agreed human rights content and process standards that can be drawn upon to strengthen the S. Our best guess about why this has not happened yet is that there is little expertise or, frankly, interest in human rights in the investment community, coupled with some interest but little expertise about investment issues in the human rights community. We have sought to speak to both in this paper.

In addition to improving the conceptual foundation of the S domain, its elements, and informing the kinds of indicators one should be looking for, the link to human rights standards has several other advantages. For one, if the conjectures about millennial preferences are borne out, client demand for human rights-respecting investments that generate a competitive rate of return is likely to increase. For another, such a move is reinforced by, and in turn reinforces, the trend in law, policy and front-line company practice addressing business and human rights concerns, in particular the necessity to conduct adequate human rights due diligence in order to avoid or mitigate risks, and to contribute to remedy where harm has been done. Seen in this light, incorporating the UN Guiding Principles into ESG investing is both a values and a value proposition.

# Appendix I: ESG Ecosystem

Adapted from:
*World Economic Forum*, "3.2 Impact Investment Ecosystem: The Landscape Today," (see Figure 7), available at http://reports.weforum.org/impact-investment/3-impact-investment-sector-assessment/3-2-impact-investment-ecosystem-the-landscape-today/#view/fig-7



[1] Quoted in The Economist Intelligence Unit, *The Road from Principles to Practices: Today's Challenges for Business in Respecting Human Rights* (October 13, 2015), https://www.eiuperspectives.economist.com/strategy-leadership/road-principles-practice.

[2] *The Economist,* March 16, 2015. Ruggie developed the UNGPs over the course of a six year mandate (2005-2011) as the UN Secretary-General's Special Representative for Business and Human Rights. The mandate and the broader issues of business and human rights are discussed in John G. Ruggie, *Just Business: Multinational Corporations and Human Rights* (New York: Norton, 2013).

[3] Zeid Ra'ad Al Hussein, 'Ethical Pursuit of Prosperity' (23 March 2015), https://www.lawgazette.co.uk/comment-and-opinion/ethical-pursuit-of-prosperity/5047796.article.

[4] Quoted in Kurt Wagner, "Mark Zuckerberg knows he screwed up," https://www.recode.net/2018/4/5/17200918/mark-zuckerberg-facebook-data-privacy.

[5] Global Sustainable Investment Alliance (GSIA), *2016 Sustainable Investment Review 2016,* http://www.gsi-alliance.org/wp-content/uploads/2017/03/GSIR_Review2016.F.pdf. There are numerous forms of ESG investing. In terms of investment strategies, the basic distinction is between screening (exclusion or inclusion of certain sectors, companies or projects), and integration (combining ESG risks and opportunities with traditional financial analysis).

[6] Steven Lydenberg, *Corporations and the Public Interest* (San Francisco: Berret-Kooehler, 2005).

[7] Gordon L. Clark, Andreas Feiner, and Michael Viehs, *From the Shareholder to the Stakeholder* (2015), p. 12, https://arabesque.com/research/From_the_stockholder_to_the_stakeholder_web.pdf.

[8] Merrill Lynch, https://www.ml.com/articles/capitalism-and-the-rise-of-responsible-growth.html.

[9] GSIA, op.cit (note 5).

[10] Reported in Amir Amel-Zadeh and George Serafeim, "Why and How Investors Use ESG Information: Evidence from a Global Survey" (July 2017), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2925310.

[11] MSCI, "MSCI ESG Ratings Methodology," April 2018, *MSCI ESG Research,* https://www.msci.com/documents/10199/123a2b2b-1395-4aa2-a121-ea14de6d708a

[12] Clark, Feiner, and Viehs, op.cit. (n 7).

[13] Mark Haefele, "Sustainable Performance," *UBS House View,* 14 December 2017.

[14] Amel-Zadeh and Serafeim, op. cit (n 6).

[15] Dan Weil, "Do-Good Funds Finally Are Paying Off in Performance. Will it Last?," *Wall Street Journal,* May 6, 2018.

[16] See, for example, EY, "Sustainable investing: the millennial investor," http://www.ey.com/Publication/vwLUAssets/ey-sustainable-investing-the-millennial-investor-gl/$FILE/ey-sustainable-investing-the-millennial-investor.pdf.
[17] *U.S. Trust Insights on Wealth and Worth,* https://ustrustaem.fs.ml.com/content/dam/ust/articles/pdf/FindingsOverview_Broch_Final.pdf.
[18] See https://www.forbes.com/sites/morganstanley/2017/10/31/millennials-drive-growth-in-sustainable-investing/#e41eeee20753.
[19] "The power of money: Investment by women, and in them, is growing," *The Economist,* 8 March 2018.
[20] The 2017 Deloitte Millennial Survey, "Apprehensive millennials: seeking stability and opportunities in an uncertain world," https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/gx-deloitte-millennial-survey-2017-executive-summary.pdf.
[21] EY, op.cit.
[22] Gordon Orr, "What can we expect in China in 2018," https://www.mckinsey.com/featured-insights/china/what-can-we-expect-in-china-in-2018.
[23] Michael Osborne, "Brands Need to Step Up Their Game To Win Over Millenials," *Forbes,* September 10 2017, https://www.forbes.com/sites/forbesagencycouncil/2017/09/26/brands-need-to-step-up-their-game-to-win-over-millennials/#6672749e1b32
[24] See http://mitsloan.mit.edu/sustainability/aggregateconfusion.
[25] Composite paraphrase of interviews with representatives of major providers and users of ESG data who preferred to remain anonymous.
[26] Aaron K. Chatterji, Rodolphe Durand, David I. Levine, and Samuel Touboul, "Do Ratings of Firms Converge? Implications for Managers, Investors and Strategy Researchers," *Strategic Management Journal,* 37 (2016): 1597-1614.
[27] Casey O'Connor and Sarah Labowitz, Putting the "S" in *ESG: Measuring Human Rights Performance for Investors* (NYU Stern Center for Business and Human Rights, 2017).
[28] They included MSCI, Sustainalytics, RepRisk, IdealRatings, Thomson Reuters, Who's Good, TruValue, SASB, RobecoSAM, CSRHub, FTSE Russell, oekom, Vigeo-Eiris, and Inrate.
[29] These developments are documented on the website of the Business and Human Rights Resource Centre. https://www.business-humanrights.org/.
[30] International Bar Association, "IBA Practical Guide on Business and Human Rights for Business Lawyers," https://www.ibanet.org/LPRU/Business-and-Human-Rights-Documents.aspx; and John G. Ruggie and John F. Sherman III, "Adding Human Rights Punch to the New *Lex Mercatoria*," *Journal of International Dispute Settlement*, 6 (November 2015).
[31] The impetus for these developments was an independent report commissioned by FIFA. John G. Ruggie, "'For the Game, For the World.' FIFA and Human Rights,"

https://www.hks.harvard.edu/centers/mrcbg/programs/cri/research/reports/report68.

[32] http://www.un.org/en/documents/udhr/

[33] "Corporations and human rights: a survey of the scope and patterns of alleged corporate-related human rights abuse," UN Document A/HRC/8/5/Add. 2 (23 May 2008).

[34] The International Bill of Human Rights includes the Universal Declaration and the two major Covenants: on Economics, Social, and Cultural Rights, and on Civil and Political Rights. For business and human rights issues, it is customary to include the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. For some operating contexts where particular groups may be at special risk (such as indigenous people, women, children) more focused UN instruments should be considered.

[35] Shift, *UN Guiding Principles Reporting Framework,* at https://www.ungpreporting.org. Shift, a New York based nonprofit, is the leading center of expertise for the UNGPs; Ruggie chairs its board. For the investor statement, see https://www.ungpreporting.org/framework-guidance/investor-statement/.

[36] Unilever was the first company to use the Framework in a free-standing human rights report. https://www.unilever.com/Images/unilever-human-rights-report-2015_tcm244-437226_en.pdf.

[37] Shift, *Human Rights Reporting: Are Companies Telling Investors What They Need to Know?*, https://www.shiftproject.org/resources/publications/corporate-human-rights-reporting-maturity/, and Shift, *Data Base and Analysis of Company Reporting,* https://www.ungpreporting.org/database-analysis/.