

**STATEMENT BY SOCIALLY RESPONSIBLE INVESTORS
TO THE
EIGHTH SESSION OF THE HUMAN RIGHTS COUNCIL
ON THE THIRD REPORT OF THE
SPECIAL REPRESENTATIVE OF THE UN SECRETARY-GENERAL ON
BUSINESS AND HUMAN RIGHTS**

We, the undersigned socially responsible investors, respectfully request that the UN Human Rights Council extends the mandate of Professor John Ruggie, UN Special Representative of the Secretary General on Human Rights and Transnational Corporations and other Business Enterprises (SRSG).

We welcome the recent release of the SRSG's third report, entitled "*Protect, Respect and Remedy: A Framework for Business and Human Rights*," which culminates the current mandate of the SRSG. We recognize that in pursuing his mandate and conducting many multi-stakeholder consultations around the world, the SRSG found an urgent need for a framework for action consistent with the appropriate roles for states, international institutions and civil society as well as business. Indeed, the new report sets forth a comprehensive framework built around the core principles of "the state duty to protect against human rights abuses against third parties, including business; the corporate responsibility to protect human rights; and the need for more effective access to remedies." We strongly encourage the extension of the SRSG's mandate in order for Professor Ruggie and other stakeholders to elaborate and implement this vital framework.

Socially responsible investors incorporate a variety of social and environmental criteria into their investment processes, including corporate human rights commitments and performance. We do so in part because we place fundamental importance on respect for human rights. We are committed to using our leverage as investors to encourage more responsible corporate conduct, and to promote a deeper understanding and respect for international human rights standards on the part of business. As investors, we believe that we can make a unique contribution—alongside many others—towards achieving this goal and therefore have a fundamental interest in the extension of the mandate.

At the same time, a renewed mandate is consistent with our fundamental responsibility as investors. Consistent with the SRSG's framework, we believe that significant and urgent work must be undertaken by companies to scrutinize their own operations to minimize the possibility of complicity in human rights abuses. We also believe that greater disclosure of corporate information related to human rights policy and performance will enable investors to correlate the financial performance of companies with prudent management of human rights-related risks in general and to assess the possibility of human rights-related corporate liability in particular.

Investor demand for such information is already helping to drive greater corporate transparency. While many companies are now providing information relating to their social or environmental performance, few have disclosed consistent and reliable

information concerning their human rights performance. Direct violations of human rights—or complicity in such violations-- may constitute serious material risks for many corporations in countries where they are based and operate alike. As investors, we cannot make informed investment decisions without reliable and complete data. We use corporate human rights performance information in a variety of ways, including direct engagement with corporate management, proxy voting, and asset selection. For many of us, this information is material to our investment decisions. Extending the mandate of the SRSG, in line with its latest report, would further the needs of investors by encouraging more comprehensive and reliable disclosure.

The SRSG's latest report also calls attention to the need for companies to perform adequate due diligence—including through human rights risk assessments (HRIAs) where useful—to ensure adherence to existing social and environmental responsibilities. HRIAs can help companies identify, minimize and mitigate risks across a whole range of issues and industries, and as a result reduce the likelihood of potential human rights abuses or complicity in them. A renewal of the SRSG's mandate can further promote the use of such tools and thereby raise investor confidence that companies are willing and able to address such risks.

Finally, given the rapid growth of shareholder-driven activity, risk-conscious corporations may benefit from an affirmative approach to human rights issues. As suggested in the SRSG Report, such an approach may mitigate shareholder resolutions and campaigns. The SRSG Report encourages robust risk assessment that is not only required by the existing U.S. regulatory and judicial scheme, but also is highly advisable from a corporate reputation perspective in the current global environment where information transfer is seamless and media coverage omnipresent. Undoubtedly, there is a convincing business case for socially responsible investing and concern for human rights.

For these reasons, the undersigned socially responsible investors call upon the Human Rights Council to extend the mandate of the SRSG.

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Washington, D.C.

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