

## Respect of human rights is at the heart of strategic choices

by Phil Bloomer,  
Executive Director, Business &  
Human Rights Resource Centre



**Our world is at a crossroads. One way leads to ecological crisis, growing inequality levels, authoritarian governments and worsening conflict. Another leads to environmental regeneration, greater shared prosperity, democratic renewal and stability. Respect for human rights and environmental rights in business lies at the heart of this choice of highways.**

Less than a decade ago, investors in Europe met me with blank stares and a blanket "human rights and climate action are not material to our decisions". Now, leading investors and companies understand that these issues demand board-level attention, a shift in culture and revised business models, especially as reputation, legal and financial risks have ballooned. This is partly due to the changing legal landscape, with worldwide shifts in business regulation and incentives that send increasing market signals demanding a shift away from the 'business as usual' of the last 40 years.

Linking human rights and environmental due diligence with good business conduct is not new – it was agreed globally in the [United Nations Guiding Principles for Business and Human Rights](#) in 2011. But with only appeals to corporate voluntary action, these principles have been ignored by most companies and financial institutions.

Laggard companies must now learn quickly from advanced ones with a decade of human rights policy development under their belts, or face increasing legal risk. This pill should be easier for companies to swallow, thanks to the harmonisation of the playing field created by new regulatory landscape. It also means practices that reduce human rights risks for workers and communities should increasingly become the status quo.

Banks and investors worldwide must be more assertive than ever in interrogating investee companies on this changing risk to their bottom lines – and the long-term economic health of these firms. Responsible financiers will play their part in insisting on changes to business models that respect human rights and support environmental regeneration. This will also ensure our societies and markets take the right turn at the crossroads we face.

**Read Phil Bloomer's full article [here](#).**

### RECONCILING EMERGENCIES

After the Paris Agreement was adopted in 2015, the climate emergency evidently became a strategically important and cross-cutting issue. The subsequent mobilisation of stakeholders, right across the board, has led to some notable progress. However, even though climate change is a crucial challenge, it is far from being the only one that we need to tackle with urgency. Beyond protecting biodiversity, addressing the social issues is pressing. Particularly because these have been aggravated by a series of recent shocks such as Covid-19, geopolitical crisis and inflation. Rather than prioritising one emergency at the expense of others, it is high time to consider adopting a holistic approach. This is the challenge of just transition, which will have to reconcile respect for our planet's limits with human rights.

Laurence Pessez,  
Head of CSR Group  
at BNP Paribas



Clickable flag. Choose your preferred language.

