

THE CORPORATE RESPONSE TO ALLEGATIONS OF HUMAN
RIGHTS ABUSE:
AN ANALYSIS OF RESPONSES PUBLISHED BY
THE BUSINESS & HUMAN RIGHTS RESOURCE CENTRE

LYNN SCHWEISFURTH

E.MA MASTERS IN HUMAN RIGHTS AND DEMOCRATISATION
2010-2011

SUPERVISED BY
PROFESSOR MENNO KAMMINGA

UNIVERSITY OF MAASTRICHT

ABSTRACT

As governments and International Governmental Organisations (IGOs) continue to weigh the pros and cons of mandatory regulation for corporations and as long as the international business community continues to resist it, civil society remains the sole global watchdog of corporate complicity in human rights violations.

Using the responses from corporations archived in the database of the Business & Human Rights Resource Centre (B&HR RC) since 2005, this thesis sets out to investigate the responsiveness of corporations to allegations of human rights abuse. By analysing response rates and evaluating the substance of the responses, this paper will show to what extent corporations are implementing Corporate Social Responsibility (CSR) policies and how the policy of naming and shaming can impact corporate ethical behaviour.

This exploratory quantitative and qualitative research of corporate responses shows to what degree companies are living up to their public commitments of ethical conduct and what factors are contributing to effecting change. By collating and evaluating the documentation of corporate reactions to human rights abuse as published by the B&HR RC, this paper aims to fill a gap in the literature on the subject of corporate responses to accusations of ethical misconduct.

ACKNOWLEDGEMENTS

I would like to express my gratitude to my supervisor, Professor Menno Kamminga of Maastricht University for his concise guidance. I would like to thank Chris Avery, Director, Mauricio Lazala, Senior Researcher and Malena Bengtsson of the Business & Human Rights Resource Centre for their time and patience in answering so many questions. I am also grateful to Arvind Ganesan, Director of Business & Human Rights, Human Rights Watch, for his comments.

LIST OF ABBREVIATIONS

AFBTF	Agriculture, Food, Beverage, Tobacco, Fishery
BRIC	Brazil, Russia, India, China
B&HR RC	Business & Human Rights Resource Centre
CBO	Community Based Organisation
COP	Communication on Progress
CPI	China Power Investment
CSR	Corporate Social Responsibility
CWE	China International Water and Electric
EU	European Union
EEC	Energy, Engineering, Construction
EICC	Electronics Industry Citizenship Coalition
EITI	Extractive Industries Transparency Initiative
FISI	Focused Improved Supplier Initiative
GeSI	Global e-Sustainability Initiative
GNI	Global Network Initiative
HQs	Headquarters
HRW	Human Rights Watch
IGO	International Governmental Organisation
IHRB	Institute for Human Rights and Business
ILO	International Labour Organisation
IPT	Indian People's Tribunal
ISO	International Organization for Standardization
MNE	Multinational Enterprise
NGO	Non-Governmental Organisation
NLC	National Labor Committee
OECD	Organisation for Economic Cooperation and Development
PR	Public Relations
SACOM	Students and Scholars Against Corporate Misbehaviour
SME	Small/Medium Sized Enterprise
SOE	State Owned Enterprise
SRI	Socially Responsible Investment
UDHR	Universal Declaration of Human Rights
UN	United Nations
UNHCHR	United Nations High Commission on Human Rights

TABLE OF CONTENTS

	PAGE
INTRODUCTION	8
1. METHODOLOGY	12
1.1 Analysis of the Data	12
1.2 Sources	12
1.3 Caveats	13
1.4 Categorisation of Nationality of Companies	17
1.5 Categorisation of Sectors	17
1.6 Location of Allegations of Abuse	20
2. GLOBALISATION OF SHAME	21
2.1 Global Civil Society	21
2.2 NGOs, the Media and Corporations	22
2.3 The CSR Movement	24
3. REPUTATION AND RESPONSE	27
3.1 Managing Reputation	27
3.2 Responding to Criticism	28
4. OVERVIEW OF ALL DATA	31
4.1 Correlation of nationality of companies, location of abuses and sectors	31
4.1.2 Companies and HQs	32
4.1.3 Companies and sectors	33
4.1.4 Responses and HQs	35
4.1.5 Responses and sectors	37
4.1.6 Responses and Locations of Allegations	39
4.1.7 Non Responses	41
5. THE BRICS	43
5.1 The BRICs in context	43
5.1.1 CSR in the BRICs	44
5.1.2 Human Rights and Corruption	46
5.2 Overview of Responses	49
5.3 Non Responses	51
5.4 Substance and Sources of Allegations	52
5.4.1 Brazil	52
5.4.2 China	53

5.4.3	India	57
5.4.4	Russia	60
5.5	Types of Response	62
5.5.1	Characteristics of responses	64
6. CASE STUDY: THE ELECTRONICS SECTOR IN SOUTH WEST CHINA		70
6.1	Background	71
6.2	Clean Computers Campaign	72
6.3	The Legal Setting	73
6.3.1	The Law	73
6.3.2	Soft Law and Self-Regulation	74
6.4	Responses from Chinese Companies	76
6.5	Responses from Foreign MNEs	78
6.6	The Regulatory Gap	79
6.7	Engaging with Critics	80
6.8	Implementing Recommendations	81
6.8.1	SACOM report	81
6.8.2	NLC report	83
6.8.3	Responses to the NLC report	84
6.8.4	Summary of Responses	86
6.9	Outcomes and Impact	87
6.9.1	Positive Developments	88
6.9.2	Evaluating the Impact	89
7. CONCLUSIONS		94
BIBLIOGRAPHY		96
ANNEX 1		107
List of all companies from the database of the Business & Human Rights Resource Centre, 12 January 2011.		
ANNEX 2		127
Overview of companies from the BRIC sample.		

LIST OF TABLES

Table 1:	Total Companies per Region
Table 2:	Total Companies per HQs (top twelve countries with >10 companies)
Table 3:	Total Companies per Sector
Table 4:	Total Invitations and Responses per HQs (top 15 countries with > 10 invitations)
Table 5:	Response Rates (%) per HQs
Table 6:	Total Invitations and Responses per Sector
Table 7:	Response Rates (%) per Sector
Table 8:	Total Invitations and Location of Allegations
Table 9:	HQs and Location of Allegations outside Home Country
Table 10:	>5 Invitations per Company
Table 11:	Total Companies in BRIC Sample
Table 12:	Response Rates from BRIC Companies

INTRODUCTION

The absence of international binding regulation for Multinational Enterprises (MNEs) requires the vigilance of civil society to hold corporations accountable for their misconduct. Investigative journalism and critical NGO reports remain the sole means of enforcing accountability when companies are found to be complicit in human rights violations. However, the responsiveness of corporations when confronted with their critics has to date avoided scrutiny. Indeed, they are under no obligation to respond. When and how they do, therefore, provides some insight into how companies perceive the allegations made against them and whether or not they present a threat to their reputation. This thesis conducts exploratory quantitative and qualitative research of corporate responses as published on the Business & Human Rights Resource Centre (B&HR RC) website.¹ As of February 2011 the Centre has published over 500 responses from 519 companies from 65 countries which this thesis will examine as a means of assessing the impact of their publication on corporate behaviour. The analysis will show to what degree companies are living up to their public commitments of ethical conduct and shed light on the coherency and consistency of CSR policies.

The B&HR RC is an independent non-profit organisation whose mission is to encourage corporations worldwide to respect human rights. By archiving and publishing via its website all reporting on corporate activity, negative as well as positive, the Centre seeks to raise awareness of corporate complicity in human rights abuses and to promote ethical business conduct. As well as critical reports on human rights related issues, the Centre also publishes information on topics connected with CSR, self-regulatory initiatives and guidelines for ethical business practice. It chronicles all news items connected to the subject such as civil litigation cases and relevant legislation. It can thus be regarded as a resource for anyone wishing to inform themselves on the subject of business & human rights whether from civil society or from business. It is to my knowledge the only organisation providing such information and collated data on a

¹ B&HR RC website available at <http://www.business-humanrights.org/Aboutus/Briefdescription> (consulted on 23 June 2011).

global level. The Centre's website has 1.2 million visitors per month and currently has an archive on the activities of over 5.000 companies.² The Centre relies heavily on the engagement and limited resources of non-governmental organisations (NGOs) and journalists for the information on its website.

Much as civil society cannot report on all the corporate wrongdoings in the world, the archive of the Centre³ can by no means be considered a comprehensive catalogue of all corporate activity connected to human rights violations in the world today. The Centre however stores the only publicly accessible archive of corporate responses to allegations of complicity in human rights abuse. The allegations relate to almost the entire spectrum of human rights as defined by the Universal Declaration of Human Rights (UDHR), from labour rights and freedom of association to crimes against humanity. The overwhelming majority of allegations against MNEs involve aiding, abetting and profiting from egregious human rights abuses, which occur in over 180 countries in the world⁴.

Since 2005 the Centre has invited companies to respond to allegations of complicity in human rights violations when NGOs or journalists making the allegations have received no response to their criticism or have requested the Centre to intervene on their behalf.⁵ Companies which have already responded directly to their critics do not receive a further invitation to respond from the B&HR RC. The Centre does not take responsibility for the accuracy or content of reports or articles but simply provides a forum where the information can be read and responded to, with or without invitation. It can thus be considered as a platform for dialogue between companies and civil society where dialogue has been absent. By offering companies the opportunity to respond to

² Ibid.

³ Id. Business & Human Rights Resource Centre website available at <http://www.business-humanrights.org/Documents/Update-Charts> (consulted on 23 June 2011).

⁴ Id. Available at <http://www.business-humanrights.org/Aboutus/Briefdescription> (consulted on 23 June 2011).

⁵ Interview with Chris Avery, Director and Mauricio Lazala, Senior Researcher, B&HR RC, London, 11 March 2011.

often serious allegations, the Centre has created an opening for engagement between corporations and civil society.

Lack of dialogue and engagement can have several causes which this thesis will explore: smaller domestic NGOs with no international profile may find it difficult to make themselves heard in the higher echelons of an MNE; financial and time constraints can undermine the capacity of critical authors to dedicate more time to monitor implementation; executives may underestimate the seriousness of the allegations or possible negative repercussions on the company. For whatever reasons a company has chosen not to respond to criticism, the Centre imparts a message of urgency and attention by expressly asking companies to respond within one week. The data shows a 74% response rate.⁶

As well as exposing corporate complicity in human rights violations, civil society is also tasked with monitoring compliance and implementation. By making these findings public, the B&HR RC facilitates a further monitoring mechanism by extending attention to the findings of critical actors in the field to an international audience. In addition, the publication of company responses to allegations of human rights abuses lends traction to the issues at stake which may otherwise remain less accessible to the general public and companies alike.

The findings of this research will show to what extent and under what conditions corporations see the necessity to engage with civil society and their critics. The responses offer a sense of the degree to which corporations actually commit to their CSR policies and to what extent they take responsibility for the allegations levelled against them. The case study in Chapter 6, focussing on the electronics sector in South China, will assess to what extent public statements of good corporate citizenship can affect a company's reaction to critical reporting and the relevance of soft law and self-regulatory codes. By looking at the types of responses from the companies concerned,

⁶ Annex 1: 793 invitations were issued to 519 companies as of 12 January 2011 which elicited 588 responses.

the level of engagement with civil society and improvements subsequent to publication of reports and responses, the case study will provide an assessment of the impact and outcomes of public pressure and initiatives from within the business community itself.

Since the scope of this thesis does not allow for a comprehensive analysis of the substance of all 588 responses, Chapter 4 will provide a general quantitative overview of all responses and non responses while Chapter 5 will give a detailed analysis of the responses from a smaller sample of companies from Brazil, Russia, India and China, widely referred to as the BRIC countries.⁷ Despite their enormous political, historical and cultural differences, their analogous economic development and combined emerging economic power contributes to almost one quarter of the world's economy⁸ and is predicted to outstrip those of the G7 by 2032⁹. The corporate conduct of companies headquartered in those countries is therefore of considerable significance when considering the future development of CSR policies.

The conclusions drawn from this study are subject to a number of limitations which are outlined in Chapter 1. To my knowledge there exists no empirical research on corporate responsiveness to accusations of complicity in human rights violations and whether publication of responses to these allegations can effect change in corporate behaviour. It is hoped that this exploratory research will present findings which may provide the basis for further research.

⁷ Goldman Sachs, "Building Better Global Economic BRICs", Global Economic Paper Nr. 66, 30 November 2001 available at: <http://www2.goldmansachs.com/ideas/brics/building-better-doc.pdf> (consulted on 30 June 2011).

⁸ Goldman Sachs, "Is this the BRICs Decade?", BRICs Monthly, Issue Nr. 10/03, 20 May 2010, available at <http://www2.goldmansachs.com/ideas/brics/brics-decade-doc.pdf> (consulted on 10 March 2011).

⁹ The Financial Times Magazine, "The Story of the BRICs", 15 January 2010, available at <http://www.ft.com/cms/s/2/112ca932-00ab-11df-ae8d-00144feabdc0.html#axzz1Adlw4gQv> (consulted on 14 April 2011).

CHAPTER 1 METHODOLOGY

1.1 Analysis of the Data

Given the absence of a defined sample of companies, countries and sectors, an interpretative rather than a statistical approach has been used to analyse the data as a means of identifying patterns of corporate behaviour when confronted with allegations of human rights violations. A quantitative cross-national comparison of corporate behaviour would be beyond the scope of this thesis as it would entail taking into account all social, political and historical contexts which will have inevitably affected the development of corporate culture in the 65 countries in the study.¹⁰ The quantitative research is nonetheless necessary to establish the basis for a qualitative analysis of a narrower line of enquiry: how do companies respond to public criticism and to what extent can civil society impact corporate ethical behaviour? It will therefore combine both qualitative and quantitative methods in the search for explanations. It will avoid empirical generalisations in the cross-national context but instead seek to identify similarities and differences which are of relevance when examining corporate responses to public criticism.¹¹ The approach to this research therefore acknowledges that inferences drawn may not have universal applicability but can demonstrate patterns of behaviour based on the evidence at hand which itself is limited to the archive of the B&HR RC.¹² The main objective of this preliminary research is to uncover fresh empirical evidence which will provide some tentative conclusions and indicators and may be of use for further research.

1.2 Sources

The primary source of research derives solely from the archive of company responses and non-responses of the B&HR RC. To my knowledge there exists no other empirical

¹⁰ Landman, 2009, pp. 31-36.

¹¹ Id. Pp. 39-41.

¹² All company responses can be found on the B&HR RC website, available at <http://www.business-humanrights.org/Documents/Update-Charts> (consulted on 25 June 2011).

research which has specifically analysed, either quantitatively or qualitatively, the way in which corporations respond to allegations of human rights abuse. Although much has been written on the subject of supply chain management, self-regulation and codes of conduct, there is no supporting empirical evidence to confirm or dispel assumptions that they are effective instruments to enforce compliance with international human rights standards. Despite much literature on CSR and its implementation, including in emerging and developing countries, there exists little research on how pressure from civil society can impact corporate behaviour. A lot of attention has been paid to the business case for CSR through studies which aim to show the positive effect of corporate responsibility on financial performance. Research on company responses tends to focus on public relations (PR) and communications strategies rather than the challenge of responding specifically to allegations of human rights violations. Much of the available literature focuses on specific case studies of companies or countries rather than wider empirical data. No research to date has attempted to correlate corporate responses to complicity in human rights abuse with the nationalities of companies, sector of industry or the location of the allegations of violations.

Secondary sources of research are the B&HR RC website, NGO reports, newspaper articles, academic journals, company websites and interviews. Bearing in mind the limited resources to corroborate the findings of this thesis, it should be regarded as preliminary research with accompanying limitations and caveats.

1.3 Caveats

Firstly, the fact that a particular company's activities have not been documented on the B&HR RC website does not mean that that company has not had a human rights impact. The B&HR RC only issues an invitation to respond where a response has not already been obtained or requested by the NGO or journalist. A company's absence in the archive could therefore mean that it has already engaged in dialogue with its critics, thus requiring no intervention by the B&HR RC.

Secondly, the number of responses obtained by the Centre also depends on how much time and effort was invested in obtaining a response. The Centre's limited resources are a key factor in defining its global presence and outreach. The absence of staff in certain regions¹³ and punitive translation costs will consequently impact the likelihood of reports being referred to the B&HR RC. The Centre relies on the press and NGO reports to be pro-active in sharing their critical findings. If the Centre's profile among NGOs and journalists in a particular region is low, then critical reports may well fail to reach its website. In addition the Centre has no influence over the choices critical authors make when selecting the subjects of their reporting. With this in mind, any inferences drawn from these numbers would therefore have to be measured against considerations of the extent of reporting which was not published by the B&HR RC in the same time period. It is therefore safe to assume that the quantity of invitations in the B&HR RC archive is far from a real reflection of the number of issues being reported on worldwide.

Thirdly, unequal numbers of companies and sectors in the database means that only tentative conclusions can be drawn relating to the extent of corporate complicity by corporations from those specific countries or sectors. The content of the database does however show that the focus of investigations remains on companies from the developed economies. Apart from obvious considerations that companies from developed economies are more prevalent in their transnational operations, other reasons may come into play, such as the seriousness of violations or an NGO's or journalist's prioritisation of certain human rights issues. Bearing in mind the disproportionate resources available to investigate these issues compared to their frequent occurrence, priorities over which issue, country or company to address and which not to, are affected by a number of factors: a particular issue may have more resonance in one country than another and therefore have better chances of attracting more attention; a critical report released at a particular point in time, say to coincide with a donor or trade conference, may result in greater traction as part of a broader advocacy plan; the

¹³ The Centre has only one part-time member of staff covering over 25 Eastern European countries and until recently no member of staff for Latin America.

exposure of abuses by a high profile brand company may resonate with a broader audience than one less known among consumers. If we accept that the ultimate goal of critical reporting is to bring about change, then prudent choices over which issues to report on cannot be avoided.

Fourthly, it should be noted that the parameters of this analysis do not take into account the size of the company. SMEs are more likely to operate at home rather than abroad. It may also be assumed that MNEs have significantly more means at their disposal to design and implement CSR strategies. Therefore when looking at corporate misconduct in countries outside the home state and CSR implementation in general, more detailed research, which includes the size and means of a company, would be required to give a broader perspective.

Lastly, it should be borne in mind that the accuracy or effectiveness of NGO and critical reporting has not been taken into consideration. The B&HR RC can thus be considered as fulfilling the role of a library for whose contents it can take no responsibility.

Despite the limitations these caveats impose, the data nevertheless reflects the state of reporting on and responses to corporate misconduct which can be accurately documented at this time. It would require much more empirical research, including personal interviews with those involved, both from the companies as well as from those reporting, in order to draw firmer conclusions. The available information can nonetheless help paint a broad picture of the landscape in which companies from different countries and sectors interact with civil society and their critics.

As the time limits on this thesis do not allow for a qualitative analysis of all 793 invitations, a sample has been selected to examine in detail the types and style of corporate responses to public criticism. The sample taken is based on the invitations sent to companies whose HQs are based in the BRIC countries and will be looked at in Chapter 5. This sample serves as a means of analysing a manageable number of responses for detailed analysis. Although comparisons of corporate behaviour between

BRIC and non-BRIC countries remain tentative, the responses offer some insight into the relevance of varying contexts when assessing CSR implementation.

The selection of this sample is based on certain assumptions: that the impact of corporations from BRIC countries on human rights is no different than those from other countries; that companies based in these countries, as in other countries, are equally dependent on their social license to operate and will be affected by societal expectations; that national legislation regulating corporate conduct is just as varied within BRIC countries as it is in others; that companies in BRIC countries are just as vulnerable as companies in other countries to public scrutiny, if not at home, then at least on the international stage; that all other variables which come into play with regard to CSR are just as manifold in BRIC countries as in others. These variables include but are not limited to the level of civil society and shareholder activism, consumer awareness, environmental awareness, media coverage and the availability of the Internet in the dissemination of information.¹⁴

The responses archived at the B&HR RC since 2005 have been collated and categorised according to company HQs, sectors and locations of the allegations of human rights violations. The quantitative analysis differentiates between the total number of companies (519) and the total number of invitations (793) the companies received. The data used includes all responses up to and including those contained in the Centre's weekly update,¹⁵ dated 16th February 2011.¹⁶

The data has been collated manually and transposed from Word documents into Excel tables to facilitate numerical evaluation. Sectors have in part been renamed and regrouped to facilitate a broader overview of the data, while HQs and locations of allegations of abuse have retained the categorisation used by the B&HR RC. While

¹⁴ Runnels, Kennedy and Brown, 2010, pp. 509-510.

¹⁵ The B&HR RC issues a weekly newsletter to subscribers which includes an ongoing update of all responses and non-responses from companies, available at <http://www.business-humanrights.org/Documents/Update-Charts> (consulted on 28 June 2011).

¹⁶ The response charts contained in the newsletter of 16th February are dated 12th January 2011.

every effort has been made to ensure accurate transferral of information from the database of the B&HR RC, human error may not be excluded.

1.4 Categorisation of Nationality of Companies

The nationality of a company has been defined by the location of its HQs. As MNEs are by definition companies operating in more than one country, with representative or subsidiary offices outside its home state, the nationality has been defined according to the branch to which the criticism was addressed. Thus, it has been distinguished between Coca-Cola with its HQs in the USA and Coca-Cola Femsa, its bottling plant operating in Mexico. Some companies have dual HQs and in order to avoid duplication of numbers, those companies have been categorised under one of the two locations, according to which HQs has the dominant identity. For example, Johnson & Johnson/Tibotec has its HQs in USA/Belgium. It has been categorised under USA since the Belgian firm Tibotec was acquired by the US firm Johnson & Johnson. This thesis will not provide an in-depth analysis of the various corporate structures which MNEs employ in their global activities but will instead rely on the information contained in the reports of the NGOs and journalists and as published by the B&HR RC.

1.5 Categorisation of Sectors

Given the wide range of industries and services across the globe, it is necessary to categorise them in their overarching sectors in order to identify discernible patterns. Where a company is a conglomerate operating in a range of business activities, they have been categorised according to the business activity for which there have been allegations of human rights abuses.¹⁷

Where different sectors often overlap in their operations it seems logical and for the purpose of this paper to group them together.

¹⁷ Grupo Lajtat comprises various business areas including textiles, real estate, food, gas and construction. The company has been categorised under textiles because of allegations relating to their activities as a supplier to retailers of apparel.

The category EEC refers to energy, engineering and construction. It includes companies in the energy sector but which are not directly involved in the extractive process. Energy includes the distribution of electricity whether it has been derived from water, coal or nuclear power. The sectors energy, engineering and construction have synergetic links to each other. Engineering and construction companies often work hand in hand in the building of dams and large infrastructure projects and provide the technology and distribution means for the extractive industry.

Likewise, the category AFBTF (Agriculture, Food, Beverage, Tobacco, Fishery) includes sectors which often operate under similar conditions and may result in similar human rights violations.

The extractive sector refers to all companies actively involved in the process of extracting natural resources and minerals and includes oil, gas and mining companies. It does not include the timber industry which is categorised under natural resources. Steel and aluminium production are also grouped separately.

Categories of Sectors:

AFBTF: Agriculture, Food, Beverage, Tobacco, Fishery	Apparel/Textile	Automobile
Chemical/Waste Management	Consumer Goods	EEC: Energy, Engineering, Construction
Extractive (includes mining and gas)	Finance/Insurance	ICT: Information and Communications Technology (includes telephone companies, Internet providers, computer technology and manufacturers of hard and software.
Natural Resources/Timber (includes water and rubber)	Pharmaceutical	Retail (all products)
Security/Defence (includes services and technologies)	Steel/Aluminium	Tourism
Transport/Shipping	Other ¹⁸	

¹⁸ Includes the production of glass, cement, packaging and cosmetics; carpentry, commodities trading, scrap metal, property development, legal services, employment agencies, media and service industries. These areas of business were represented by fewer than three companies and have therefore been classed together.

1.6 Locations of Allegations of Abuse

The scope of the impact of MNEs can extend throughout entire regions, even continents. For example, pharmaceutical companies which resist demands from developing countries to make cheaper generic medication available will thereby obstruct access to affordable healthcare for millions of people in numerous countries throughout the world.¹⁹ Some reports define locations according to the regions they affect, such as Africa or the Americas; in some cases a company's activities will overlap amongst countries not normally geographically associated with each other, for example, the US-based food producer Dole, which operates worldwide, was singled out for criticism because of its poor working conditions in Colombia and the Philippines.²⁰ For this reason a precise quantitative analysis of locations of allegations is somewhat skewed by their categorisation under "global", as categorised by the B&HR RC.

¹⁹ Oxfam, "Investing for Life: Meeting Poor People's Needs for Access to Medicines Through Responsible Business Practices", November 2007, pp. 2-12 available at <http://www.oxfam.org/sites/www.oxfam.org/files/bp109-investing-for-life-0711.pdf> (consulted on 23 April 2011).

²⁰ International Labour Rights Forum, "Working for Scrooge: Worst Companies of 2010 for the Right to Associate", December 2010, pp. 6-7, available at <http://www.laborrights.org/sites/default/files/publications-and-resources/WorkingForScrooge2010.pdf> (consulted on 23 April 2011).

CHAPTER 2

GLOBALISATION OF SHAME

2.1 Global Civil Society

While shame is defined concisely by the Oxford English Dictionary as "a painful feeling of humiliation or distress caused by the consciousness of wrong or foolish behaviour", globalisation has been the subject of numerous interpretations.²¹ Its most significant characteristic today is perhaps the speed of technological and social change.²² The media, the Internet and social networks were identified as key drivers of recent uprisings in the Middle East, not only as methods of dissemination of information but as tools to organise the protests. Globalisation is also characterised by the interconnectedness of human consciousness across all fields of society.²³

Global civil society has responded to the shifting relationship between the economy and the role of the state with the formation of social movements.²⁴ Higher levels of civil society participation in public debate have been extended to areas outside the confines of traditional institutions of government.²⁵ Civil society can thus be described as a complex process consisting of social movements, supranational institutions and NGOs with a normative function guided by aspirations of a more humane world.²⁶ It is characterised by notions of human rights, social justice, sustainability and peace²⁷ and is formally recognised by the world's institutions.²⁸ The combined efforts of civil society have contributed to the establishment of international treaties, customary law, soft law, codes of conduct and more recently the CSR movement to provide protection for human

²¹ Kaldor, 2003, pp. 111-114.

²² Id. P. 108.

²³ Id. P. 112.

²⁴ Edwards, 2004, pp. 113-114.

²⁵ Newman, 2005, pp. 119-120.

²⁶ Kaldor, 2003 pp. 106-108.

²⁷ Keane, 2003, pp. 175-176.

²⁸ The UN lists over 3,400 accredited NGOs. UN Department of Economic and Social Affairs, NGO Branch, available at <http://csonet.org/> (consulted on 27 April 2011).

rights where that protection was lacking. Where these norms remain outside of legislation, shame continues to be a potent means of enforcement.

The level of shame that is felt for wrongful behaviour will depend on society's sanctions of it, for sanctions are what validate wrongful behaviour. As shown in the case study in Chapter 6, a lack of sanctions effectively means that companies are at liberty to include possible litigation costs or a dip in sales in their risk calculation and opt for maximum profit minus the price of shame. In the absence of regulation and effective sanctions for corporate complicity in human rights violations, the question remains as to how shame can be elevated to a level where it is unacceptable even if the price is small.

2.2 NGOs, the Media and Corporations

NGOs have become adept at mobilising public opinion through international campaigns and networking to expose wrongful acts to provoke shame on a global level. It is the ability of global civil society to join forces across continents, mainly via the Internet, which makes its influence formidable. Indeed this paper would not have been possible had it not been for the collaboration of NGOs and media around the world to publicise corporate misconduct. However the media are first and foremost in the business of selling news. Whether celebrity news or the discovery of slave labour in a factory on another continent makes the front page will be decided by editors and not human rights defenders. The vast majority of NGOs do not operate internationally - in India alone there are an estimated 3.3 million NGOs²⁹ - but at a grass roots local level. In authoritarian regimes, the media does not have the freedom to report critically. Here the Internet has provided the means to elevate issues of public concern on to a wider global platform and create forums for public debate and activism. The online organisation Avaaz, for example, has over nine million members participating in protest petitions

²⁹ One World South Asia, "India - More NGOs than Schools and Health Centres", 7 July 2010, available at <http://southasia.oneworld.net/todayshadlines/india-more-ngos-than-schools-and-health-centres> (consulted on 5 May 2011).

worldwide and has been able to mobilise over a million signatures for some of its campaigns.³⁰

For civil society to elevate shame to its maximum potential it requires strategic methods of communications to extend its reach. Here the B&HR RC has created a role somewhere between media and watchdog to raise awareness in constituencies which may otherwise not be reached. By filling a gap in the communications strategies of NGOs and priorities of the media, it has established a new space for dialogue between the accusers and the accused. By offering a platform, not only for critics, but for businesses alike, human rights issues are being channelled in a direction where those with most influence are to be found, namely companies themselves. Moreover, the name and shame policy is no longer confined to the realm of accusers and accused but extends to the peer community.

Obtaining responses from corporations is however time consuming. Identifying and contacting the responsible person within a company for human rights issues can be a labour intensive task. It appears that despite often elaborate CSR websites, companies do not always have a strategy for responding to allegations of human rights abuse. The National Labor Committee (NLC) reported that they were unable to contact Lenovo's US office and found themselves constantly redirected to an Indian call centre.³¹ Where an NGO is internationally known and respected, the likelihood of negative publicity is naturally higher which can lead to higher responsiveness of the company. Some NGOs, even those with a high profile, turn to the B&HR RC to request a response from a company because their chances of being heard are higher.³² This suggests that the Centre presents a more neutral environment in which businesses are more likely to respond to their critics.

³⁰ Avaaz website available at <http://www.avaaz.org/en/index.php> (consulted on 2 June 2011).

³¹ NLC report "High Tech Misery in China", February 2009, p. 59, available at <http://www.globallabourrights.org/reports?id=0006> (consulted on 20 April 2011).

³² Email, Mauricio Lazala, Senior Researcher, B&HR RC, 8 June 2011.

Certain developments show that the relationship between NGOs and corporations has moved away from the traditional "them and us" stereotype to one of collaboration. There are numerous examples of an evolving stakeholder approach to business which includes engagement with NGOs and local community based organisations (CBOs) to address human rights issues. A number of companies have embarked on projects aimed at resolving human rights concerns by forging partnerships with NGOs with considerable success. There is growing evidence therefore that among some companies at least, civil society can be a helpful ally in developing and implementing CSR policies and thereby preserving and protecting company reputation.³³

2.3 The CSR Movement

Numerous past corporate scandals and accompanying negative publicity can haunt companies for years, not only in terms of damage to the brand but also in costly litigation.³⁴ The CSR movement which developed over the past 15 years as a response to higher societal expectations of corporate conduct has led companies to incorporate soft law, self-regulatory guidelines and social reporting into their business strategies.³⁵ The emergence of initiatives such as the Extractive Industries Transparency Initiative (EITI),³⁶ the Electronics Industry Code of Conduct (EICC)³⁷ or voluntary codes such as the UN Global Compact³⁸ and OECD Guidelines,³⁹ are an indication of a growing awareness among corporations that society is demanding higher ethical standards and accountability for corporate misconduct.⁴⁰ On 16 June 2011 the UN Human Rights

³³ Seitanidi and Crane, 2009, pp. 414-415.

³⁴ Chambers, 2005, pp. 14-15.

³⁵ Florini, 2003, p. 4.

³⁶ EITI website, available at <http://eiti.org/> (consulted on 25 March 2011).

³⁷ EICC website, available at <http://www.eicc.info/EICC%20CODE.htm> (consulted on 10 April 2011).

³⁸ UN Global Compact website, available at <http://www.unglobalcompact.org/> (consulted on 16 June 2011).

³⁹ OECD website, Guidelines for Multinational Enterprises, 2008, available at <http://www.oecd.org/dataoecd/56/36/1922428.pdf> (consulted on 10 April 2011).

⁴⁰ Stohl, Stohl and Popova 2009, pp. 607-609.

Council endorsed a new set of Guiding Principles for Business and Human Rights,⁴¹ devised by the Special Representative of the UN Secretary General.⁴²

In addition, the growing popularity of Socially Responsible Investment (SRI),⁴³ accompanied by shareholder activism⁴⁴, has provided companies with more motivation to meet the criteria for certification in indexes such as the Footse4Good and thereby enhance their market value. By falling short of the standards they publicly prescribe to, accusations of "greenwashing" or "bluwashing" are unavoidable. A striking example is the *Kasky v Nike* case of 2003⁴⁵ which confirmed blatant false advertising on the part of Nike. The case shows that consumers of brand goods base their purchases and choice of brand on trust in the image a company has created. When that image is tarnished or called into question, as in the aforementioned case due to disclosure of child labour in its supply chain, the result is a breach of legitimate consumer expectations of a particular corporate conduct which was associated with the product and advertised by the company. In this context responding to accusations of corporate misconduct is even more pressing if companies wish to preserve their credibility and mitigate negative publicity. The empirical data collated in this paper will show to what extent companies which participate in self-regulatory initiatives are more responsive to criticism.

The globalisation of shame, ie. a heightened sensitivity to what constitutes ethical conduct, has become visible and palpable on a number of levels. Companies are showing more concern at exposure of human rights violations and have begun to cooperate more closely with their critics in an effort to improve their corporate

⁴¹ OHCHR press release, "New Guiding Principles on Business and Human Rights Endorsed by the UN Human Rights Council", 16 June 2011, available at <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-endorsed-16-jun-2011.pdf> (consulted on 4 July 2011).

⁴² Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other enterprises, 21 March 2011, available at <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf> (consulted on 4 July 2011).

⁴³ Martin, 2009, pp. 549-550.

⁴⁴ Florini, 2003, p. 8.

⁴⁵ Mayer, 2007, pp. 65-66.

behaviour.⁴⁶ When confronted with the consequences of their business practices which have resulted in human rights abuses, company executives, frequently unaware of the impact of their operations, are often dismayed, even ashamed.⁴⁷ The spread of CSR has arisen also from pressure among peers, as seen in the implementation of codes of conduct, and not only as a result of pressure from below. A number of forums, such as the Business Leaders Initiative on Human Rights⁴⁸ show that human rights issues are being pushed also from the top down.

And still there is much work to be done. In a recent survey of company executives carried out by the Institute for Human Rights and Business (IHRB), 97% of participants felt that businesses must respect the human rights of those affected by their activities. At the same time however, only 33% said their company had a human rights policy. Perhaps more tellingly, only 25% of those invited to take part in the survey took the trouble to respond.⁴⁹

⁴⁶ Email, Arvind Ganesan, Director, Business & Human Rights Programme, Human Rights Watch, 19 June 2011.

⁴⁷ Interview with Dr. Leila Choukroune, Director of Advanced Masters in International and European Economic Law, University of Maastricht, Maastricht, 15 June 2011.

⁴⁸ Business Leaders Initiative on Human Rights website, available at <http://www.blihr.org/> (consulted on 15 April 2011).

⁴⁹ Institute for Human Rights and Business, "Results of Global Survey on Corporate Human Rights Preparedness", June 2011, available at http://www.echoresearch.com/data/File/IHRB/IHRB_Full_Research_Results.pdf (consulted on 14 June 2011).

CHAPTER 3

REPUTATION AND RESPONSE

When Kate Middleton's engagement to Prince William of England was announced, she was immediately hailed a fashion icon, apparently inspiring millions of women the world over to mimic her dress sense. Months later, a dress she had worn to meet President Obama sold out in record time, causing the retailer's website to crash. The very next day, a newspaper not otherwise widely known for its critical journalism, reported on the poor working conditions and wages of the workers at the factory in Rumania where the dress had been manufactured.⁵⁰ In short, the blinding speed by which the company gained a reputation as purveyor to the royal household was destroyed just as quickly by association with unethical conduct. The story affirms the claim that brands take years to build but only seconds to destroy. This particular retailer may take comfort in the knowledge that according to ReputationXchange,⁵¹ a blog run by Dr. Leslie Gaines-Ross, chief reputation strategist at the global PR agency Shandwick Weber, 43% of the world's largest companies suffered damage to their reputations between 2010 and 2011.

3.1 Managing Reputation

Reputation has been identified as a major contributing factor to a company's market value.⁵² Reputation is formed by the knowledge we have gained from a company, based on our experience of its products and actions as well as information passed from word of mouth and through the media. A positive reputation can give a company a competitive advantage, breed customer loyalty, attract more talented staff and

⁵⁰ The Daily Mail, "Kate's Dazzling Dress is made in Rumanian "sweatshop" by Women on just 99p per Hour", 28 May 2011, available at <http://www.dailymail.co.uk/news/article-1391673/Kates-dazzling-dress-Romanian-sweatshop-women-just-99p-hour.html>15 (consulted on 30 May 2011).

⁵¹ ReputationXchange, "Reputation Stumble Rate Still High", 29 April 2011, available at <http://reputationxchange.com/2011/04/29/reputation-stumble-rate-still-high/> (consulted on 15 May 2011).

⁵² McKinsey Quarterly, "When Social Issues Become Strategic", May 2006, available at https://www.mckinseyquarterly.com/When_social_issues_become_strategic_1763 (consulted on 10 May 2011).

distinguish its products from those of its competitors. It can therefore be regarded as an intangible asset equally vulnerable to risk as capital.⁵³

Consumers generally respond positively to companies which claim to be doing good for the community at large.⁵⁴ A look at company websites, which use images of nature, children and positive work environments, suggesting that the company has in some way created them, supports this assumption. The popularity of the Fair Trade brand is evidence of how consumers are concerned not just about the product itself, but how it is produced.⁵⁵

When public criticism is threatening to reputation, companies often put into operation a reputation management regime to manage perceptions of the damaging actions.⁵⁶ Such a regime can consist of preparing a response and implementing corrective action to repair the damage. The types of response can vary from public apologies and payment of compensation for damages to complete silence, depending on the management's perception of threat. An ethical scandal does not necessarily mean loss of reputation as long as the accused is seen to be contributing to a remedy.⁵⁷ If reputation is built on trust, it will be at greater threat if it is inconsistent with a company's promises. A company with a strong history of social responsibility however will stand better chances of surviving public scandal and be in a stronger position to protect its image.⁵⁸

3.2 Responding to Criticism

Although the archive of the B&HR RC offers only an incomplete picture of the authors of company responses it is nonetheless significant that many of them are sent by the communications or PR departments and not the CSR or Sustainable Development

⁵³ Sims, 2009, pp. 454-455.

⁵⁴ Bhattacharya and Sen, 2004, p. 9.

⁵⁵ Raynolds and Long, 2007, pp. 21-22.

⁵⁶ Ibid.

⁵⁷ Reuber and Fischer, 2010, p. 43.

⁵⁸ Vanhamme and Grobbsen, 2009, pp. 273-274.

Departments.⁵⁹ This suggests that the notion of a corporate response seems to remain very much an integral part of a company's communications strategy. By looking at the content of these responses it is possible to ascertain to what extent companies view public criticism as a threat to its reputation and brand. But to what extent is it willing to take all necessary measures to protect them? The length and detail of the response as well as the language contained in it reflects the time and resources invested to safeguard its reputation. The response therefore reveals the degree of a company's perception of the severity of the issues and the extent of their obligations.

By inviting a company to respond to accusations of human rights abuse, the policy of naming and shaming goes a step further. Evidence is presented to the alleged offender establishing the existence of a problem for which a solution may be found by engaging in dialogue with the responsible party. This requires an admission of responsibility if not in full, at least in part. As will be shown, companies often offer acknowledgement of human rights abuses but stop short of taking full responsibility, which, depending on the accuracy of the allegations, may in some cases be justified.

Although the B&HR RC records a significant response rate of 74%, a quarter of companies still choose not to respond, even in the light of egregious human rights abuses and multiple invitations to respond.⁶⁰ By choosing not to respond, companies leave much room for speculation. Studies have shown however, that a company which faces responsibility for its actions through public acknowledgement stands a much better chance of avoiding costly litigation, damage to reputation and can even improve its public image. A company which has a track record of misconduct will not only have to invest more in repair, it will also be more prone to scrutiny in future.⁶¹ This thesis will assess to what extent the rate and substance of responses from companies in

⁵⁹ Many of the responses do not reveal by whom it was written. Interview, Chris Avery, Director and Mauricio Lazala, Senior Researcher, B&HR RC, London, 11 March 2011.

⁶⁰ The Canadian mining company Goldcorp failed to respond to three invitations regarding allegations of human rights abuses and severe environmental degradation in connection with its mining operations in the Americas. B&HR RC, available at <http://www.business-humanrights.org/Links/Repository/213036> (consulted on 3 July 2011).

⁶¹ Runnels, 2010, pp. 481-486.

different countries and sectors reflect the reality of corporate accountability. Moreover, the analysis of responses in Chapter 5 will show that even in cases where companies did not respond, some nonetheless took positive measures to improve their conduct.

Provoking reaction therefore, even if outwardly silent, is an important step in the process of bringing about change. It opens a door for dialogue and, in the best scenario, fosters collaborative relationships between internal and external stakeholders which may not otherwise have developed.

CHAPTER 4

OVERVIEW OF ALL DATA

4.1 Correlation of nationality of companies, location of abuses and sector of industry.

The data differentiates between the total number of companies in the database which received invitations from the B&HR RC and the total number of invitations which were issued. In many cases, companies received more than one invitation to respond to different allegations, as shown in Table 10.

The data has been organised to identify the total number of companies cited in the invitations according to their HQs. The total number of invitations sent to these companies have been organised according to the nationality of companies, sectors of industry and the location of where the allegations took place.

Since the Centre began archiving responses from corporations in 2005, it has issued 793 invitations to respond to public criticism to 519 companies from 65 countries.⁶² Of the 793 invitations issued, 588 elicited responses.

Although for the purpose of this analysis the number of invitations companies received and responded to is more relevant, it is nonetheless useful to present an overall picture of the major players in the field. The vast majority of companies in the database have their HQs in developed economies. The twelve countries shown in Table 2 are home to the HQs of more than 10 companies which received invitations from the B&HR RC, accounting for 68% of all companies in the database.

⁶² Includes responses up to and including 12 January 2011.

4.1.2 Companies and HQs

Table 1.

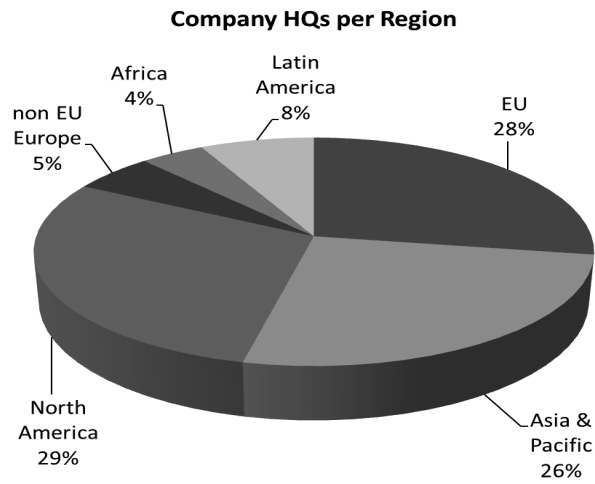
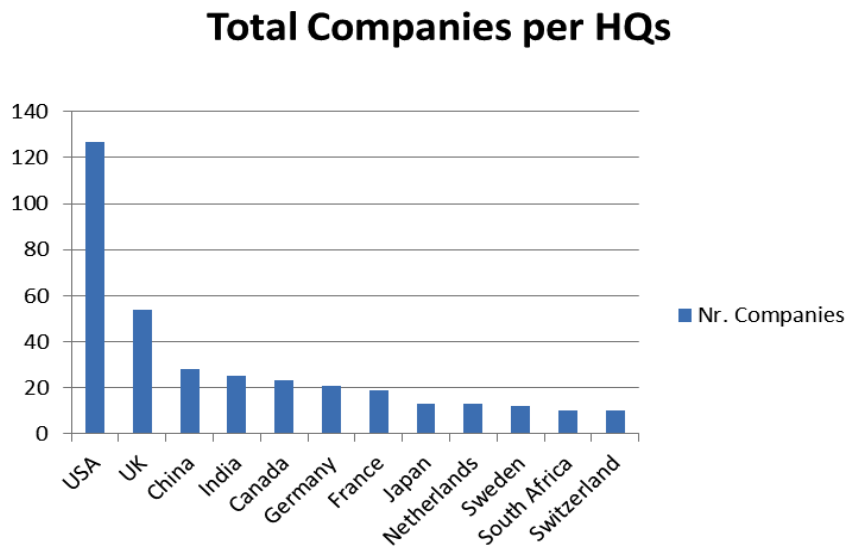
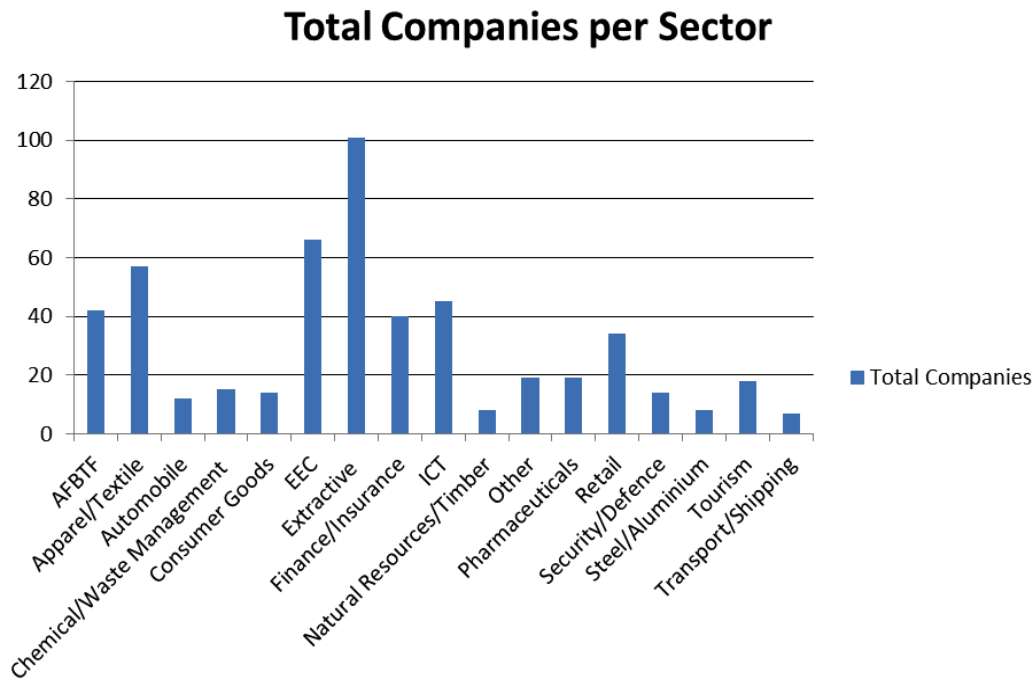


Table 2.



4.1.3 Companies and Sectors

Table 3.



The single sector with the highest number of companies is the extractive sector. Together the companies in the extractive and EEC sectors make up almost a third of all companies receiving requests to respond to allegations of misconduct. In the extractive sector, companies with their HQs in Canada, the USA and the UK make up 48% of those being asked to respond to allegations. Of the 83 companies in the EEC sector, companies based in the UK, the USA and China are the dominant actors, with the USA and China equally represented by eight companies and the UK by nine. The high number of companies from the extractive and EEC sectors can most likely be explained by the dimension of the impact of their operations. Projects such as dam building or mining operations are often on a very large scale affecting thousands of people and their

livelihoods.⁶³ Involuntary displacement, environmental degradation and hazardous working conditions can result in an array of human rights abuses. Given the scope and seriousness of violations related to these sectors, it is therefore self evident that they become the focus of reporting.

Companies in the ICT sector are predominantly based in China (9) and the USA (10). As many of the companies in this sector are brands as well as manufacturers, many brand companies which source their component parts from non-compliant manufacturers have found themselves cited in the same reports: the brands for insufficient compliance of their supply chain codes and manufacturers for labour rights violations. Companies in the apparel/textile and consumer goods sectors likewise become complicit in human rights abuses at both ends of the trade relationship. In fact across almost sectors, the relationships between corporate clients and their suppliers highlight the inherent challenges in cross-border supply chain management. This contextual relationship and its relevance to CSR development will be dealt with in more detail in Chapter 6.

Human rights violations connected to the pharmaceutical, finance/insurance, AFTBF and chemical/waste management sectors appear to arise out of a different context. Here, companies have become complicit due to their own direct operations, often in countries outside their home state, and with no third party supplier or client. Allegations concern negligence in their operations abroad, often accompanied by weak domestic legislation and enforcement⁶⁴ and providing services and goods to rogue regimes.⁶⁵

⁶³ B&HR RC, Goldcorp report, available at <http://www.business-humanrights.org/Links/Repository/213036> (consulted on 3 July 2011).

⁶⁴ A number of drug companies have been criticised for outsourcing clinical trials of drugs to developing countries where regulation is weaker. See The Hindu, "Centre Halts HPV Vaccine Project", 8 April 2010, available at <http://www.hindu.com/2010/04/08/stories/2010040857390100.htm> (consulted on 30 June 2011).

⁶⁵ A number of banks have been criticised for facilitating transactions from abusive governments. See "Barclays Bankrolls Mugabe's Brutal Regime", Sunday Times, 11 November 2007, available at <http://www.timesonline.co.uk/tol/news/uk/article2848046.ece> (consulted on 3 July 2011).

4.1.4 Responses and HQs

Table. 4

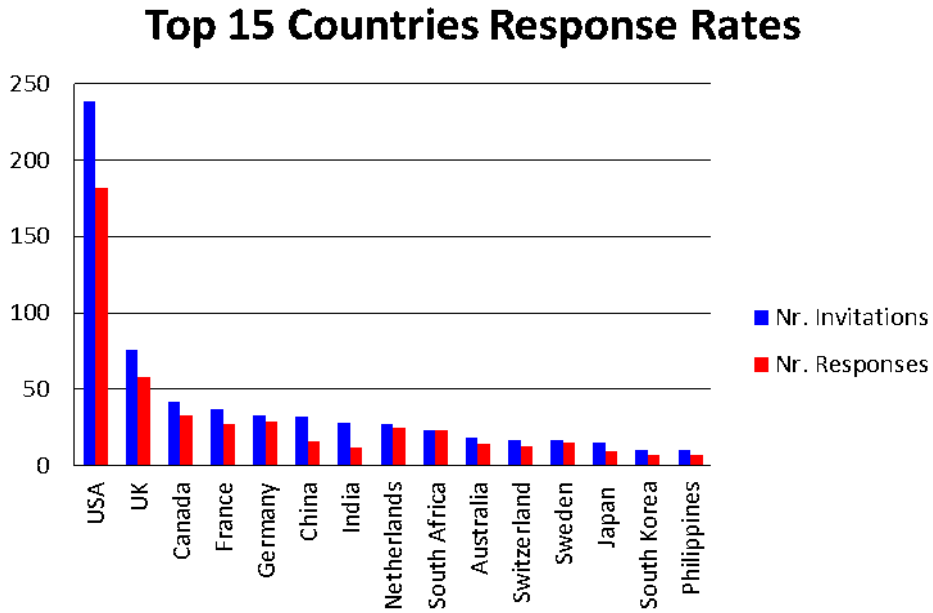


Table 5.

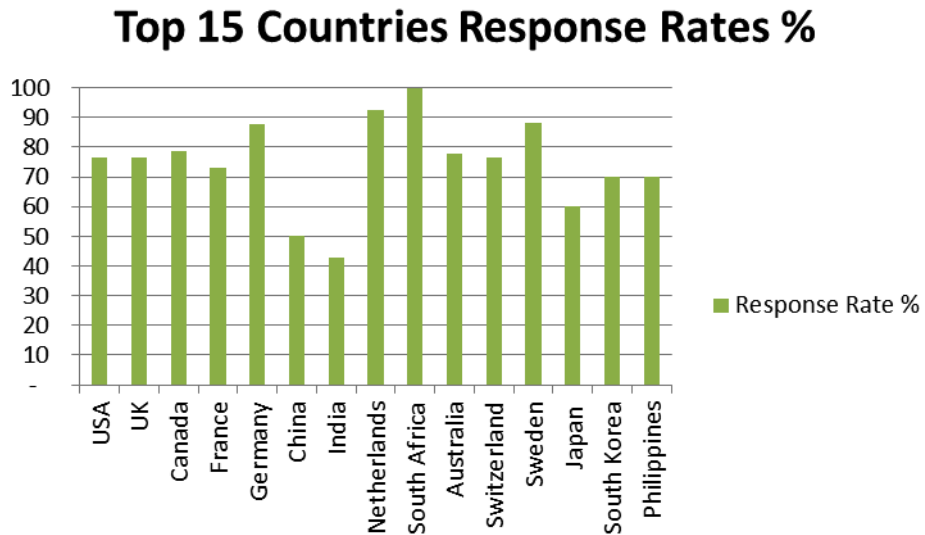


Table 4 shows the top 15 country HQs of companies which received more than ten invitations to respond. Table 5 shows the response rates of the companies in those countries. The USA received the highest number of 238 invitations from the B&HR

RC, accounting for just under a third of all invitations and shows a response rate of 77%. Only companies based in South Africa recorded a 100% response rate followed by companies from the Netherlands with 93% and Sweden and Germany both with 88%. Only Indian companies had a response rate lower than 50%.

Despite the fact that the numbers of invitations issued to companies vary significantly, the response rates suggest a possible linkage between a company's history of responding to criticism. It may be assumed, for example, that a company which has repeatedly been accused of ethical misconduct may have developed more effective ways of dealing with public criticism than others. This may account for the high response rate from companies from South Africa and the Netherlands. Of the 27 invitations issued to Dutch companies, ten were directed at Shell, which has a 100% response rate. While the data suggests that the nationality of a company may have bearing on its corporate culture, the parameters of this survey do not include factors which would justify any concrete conclusions.

4.1.5 Responses and Sectors

Table 6.

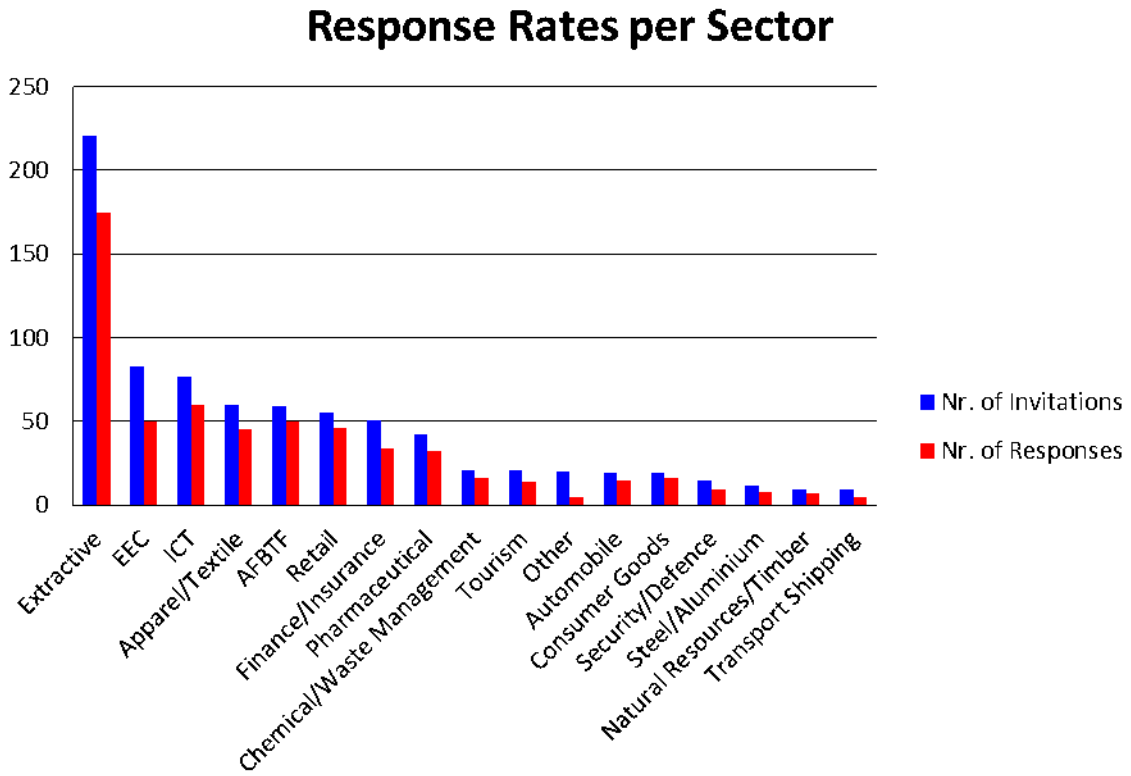
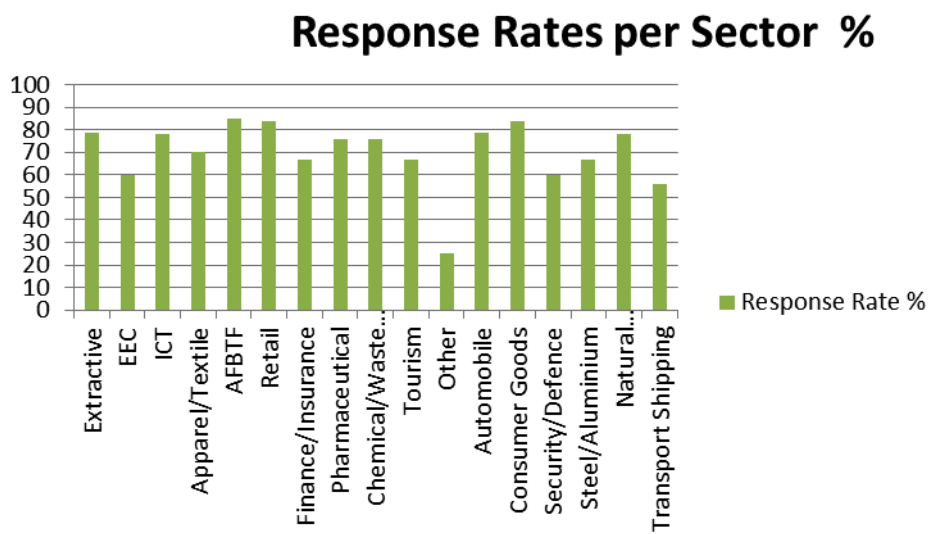


Table 7.



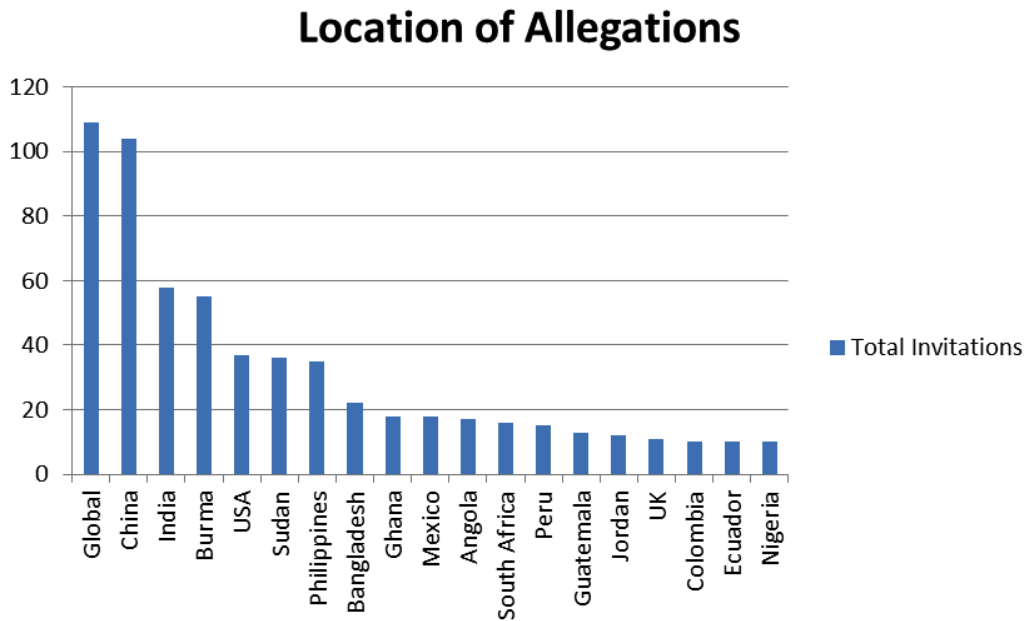
221 invitations related solely to the extractive sector which corresponds to 29% of all invitations in the archive. The extractive sector's high response rate of 79% however, should be measured against the relevance of the dominant players in this sector with HQs in Canada (22), the USA (12) and the UK (14). The overall high response rates from companies based in these countries could well have a bearing on the high response rate in the extractive sector. By contrast, the EEC sector shows a much weaker response rate which may reflect the more diverse nationality pool of companies represented in this sector.

The sectors which received 50 or more invitations to respond show varying response rates with the EEC sector responding to the fewest invitations. The retail sector showed a particularly high response rate of 84%, as did the sector consumer goods, although with a much smaller number of invitations. The high response rate for these sectors may be explained by the relevance of a high consumer profile as companies are more likely to respond if they feel they are at risk of consumer boycotts. A closer look at the markets in question, consumer profiles and the nature of allegations would be necessary to confirm this assumption. Divergent levels of consumer awareness and resonance of particular human rights abuses have been found to have varying effects on consumer behaviour in different contexts.⁶⁶

⁶⁶ Tsalikis and Seaton, 2008, pp. 921-927.

4.1.6 Responses and Locations of Allegations

Table 8.

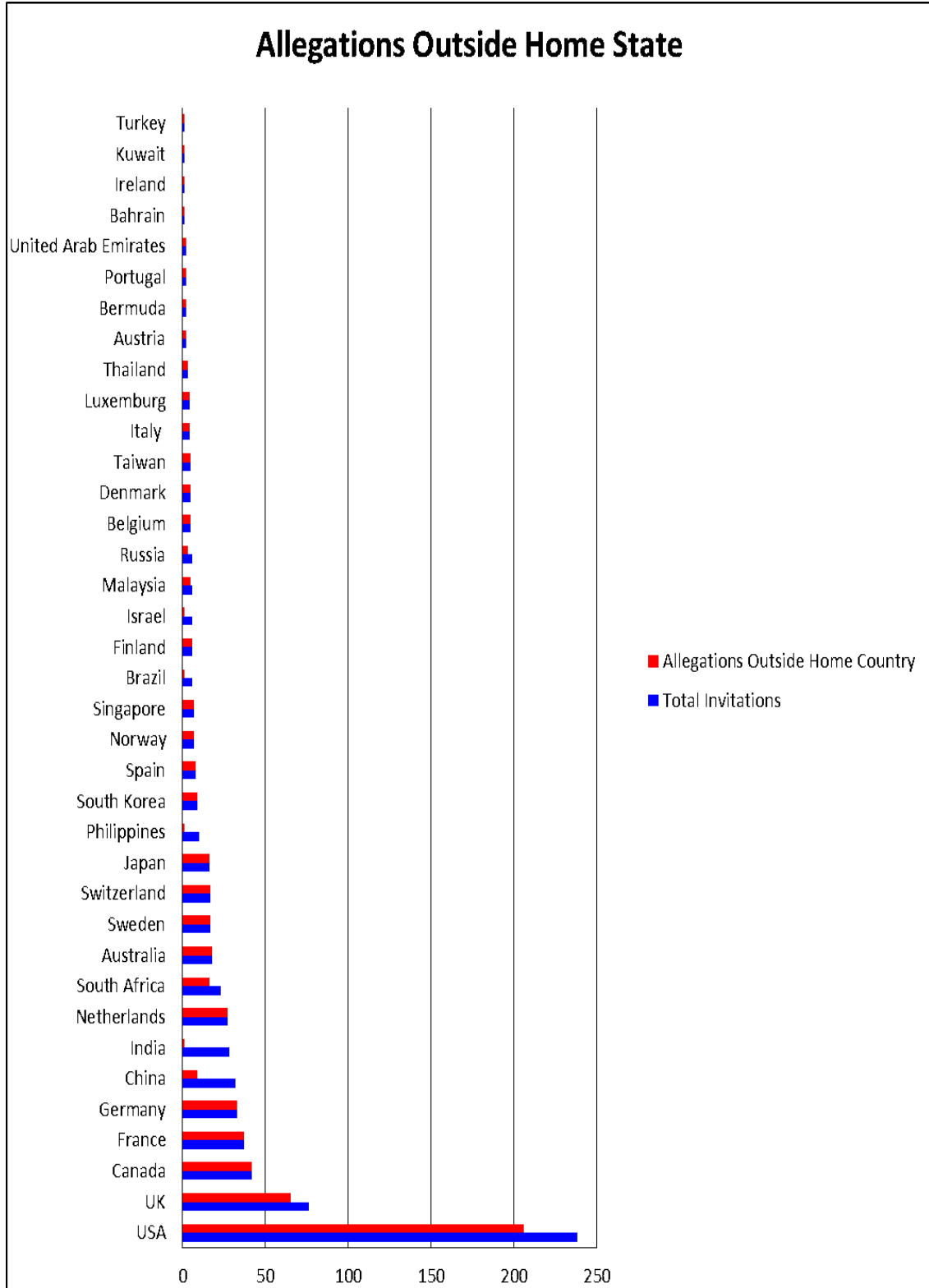


The environment in which companies operate is highly significant, particularly when it is considered high risk, ie. where governments are dysfunctional or illegitimate or where conflict is taking place. Weak governance often results in weak protection of human rights and the environment. Companies are therefore often faced with the dilemma of either abiding by weak local legislation, thus risking complicity in human rights abuses, or jeopardising their business opportunities.⁶⁷

The data at hand shows that an overwhelming number of companies allegedly become complicit in human rights abuses arising from their operations in countries outside of their home states, usually in developing countries. Only 12% of all invitations were issued to companies for allegations of abuse in their own countries. The vast majority of these companies accused of misconduct at home had their HQs in developing countries. Only Israel, the UK and the USA were the notable exceptions.

⁶⁷ IHRB, "From Red to Green Flags", 2 May 2011, pp. 3-7, available at http://www.ihrb.org/news/2011/from_red_to_green_flags.html (consulted on 3 July 2011).

Table 9.



Unsurprisingly the majority of locations of allegations are to be found in the global context, where claims of abuse are not confined to one specific country. China was the single most cited country where corporate abuse allegedly took place. Given that human rights reporting in China is still severely repressed, one likely explanation could be that trade relationships between Chinese and international companies have helped draw more attention to corporate conduct there.⁶⁸ The case study in Chapter 6 will examine these relationships in more detail and look at the influence of supply chain codes of conduct and the role of global activism in exposing human rights violations in challenging environments.

4.1.7 Non Responses

As previously mentioned, success in obtaining a response from a company depends a great deal on the available resources and determination of the critical authors as well as the B&HR RC. Many companies, particularly small and medium sized enterprises (SMEs), may not have staff dealing solely with issues of CSR so that any request for a response may disappear in the in-box. In numerous cases, enquiries relating to human rights are referred to the public relations or communications department. For whatever reasons companies choose not to respond, there is reason to believe that corporations' strategies for responding are often ad hoc rather than systematic or consistent with their public CSR commitments. This can be seen in the instances where companies respond to some invitations but not to others as shown in Table 10. Furthermore, as will be seen in Chapter 5, the quality of responses often amounts to the same as a non response when companies refrain from acknowledging that abuses have taken place or simply refer the enquirer to its company website for further information.

⁶⁸ Gao, 2009, p. 26.

Table 10.

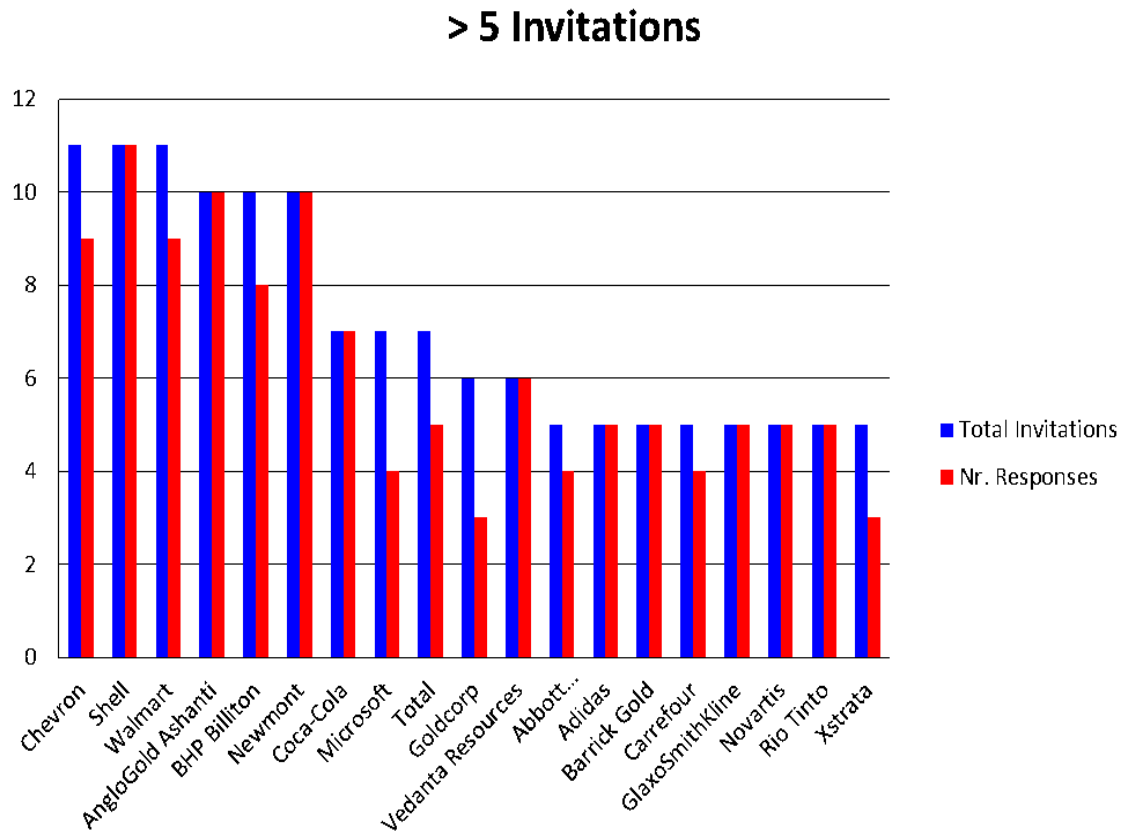


Table 10 shows the 19 companies which received five or more invitations to respond and the responses they elicited. Ten companies show 100% response rates which suggest a more coherent approach to dealing with critics. However Microsoft, significant not only for its global presence but also high consumer profile, shows surprisingly inconsistent responsiveness, replying to only four of seven invitations. The cases study in Chapter 6 provides more insight into how Microsoft's strategy of responding to critics compares with its peers in the ICT sector.

CHAPTER 5

THE BRICS

5.1 The BRICs in Context

Although the main purpose of the selection of the BRIC countries is to define a manageable number of corporate responses for more detailed analysis, their combined economic and political influence in the world are undeniable. They have come to be regarded as a homogenous group solely on the grounds of their similar economic development which has implications for comparisons between them and with countries outside of the BRICs. It is therefore useful to consider some context when making a qualitative analysis of the responses.

The BRIC countries represent over 2.8 billion of the world's population,⁶⁹ employ almost half of the world's workers⁷⁰ and contribute to almost a quarter of the global economy.⁷¹ They are represented by two of the five permanent members of the UN Security Council, China and Russia, and are members of the G20 which represents the world's leading economies. As their economic influence has grown, so too has its identity as an economic bloc with accompanying political clout. In April 2011 the four countries, joined by South Africa, held a summit in China which ended with a joint statement calling for more influence in the economic and political world order.⁷² This has been illustrated by their united stance on a number of issues of international concern. At the time of writing, a planned UN Security Council Resolution to impose sanctions on Syria was being opposed by China and Russia.⁷³ Both China⁷⁴ and India⁷⁵

⁶⁹ World Bank Data, Total Population, available at <http://data.worldbank.org/indicator/SP.POP.TOTL> (consulted on 19 April 2011).

⁷⁰ OECD, "Employment Outlook 2007", June, 2007, available at <http://www.oecd.org/dataoecd/28/32/38798341.pdf> (consulted on 10 April 2011).

⁷¹ Goldman Sachs, "Is This the BRIC's Decade?", BRICs Monthly Issue no. 10/03, 20 May 2010, available at <http://www2.goldmansachs.com/ideas/brics/brics-decade.html> (consulted on 10 March 2011).

⁷² The Economist, "BRICs in Search of a Foundation", 16 April 2011, available at http://www.economist.com/blogs/banyan/2011/04/emerging_economic_powers (consulted on 30 April 2011).

⁷³ Al Jazeera, "UN Security Council Weighs Syria Resolution", 9 June 2011, available at <http://english.aljazeera.net/news/middleeast/2011/06/20116815955110282.html> (consulted on 22 June 2011).

have defied calls from the West to boycott the Burmese military government, instead preferring to engage in lucrative business deals. Furthermore, trade relations between the four BRICs show a new interdependence in export and import markets. China has now replaced the USA as Brazil's largest trade partner and Russia now exports more of its commodities to China than to the USA or Europe.⁷⁶

The emerging economic influence of the BRIC economies coupled with their attractiveness for foreign investment by MNEs has drawn attention to their social and environmental issues.⁷⁷ The interaction between foreign MNEs and the communities they operate in has the potential to transmit not only capital, but knowledge, value systems and ideas.⁷⁸ But interactions with MNEs and subsequent spillovers can be negative as well as positive and raise questions as to the implementation in differing cultural and social contexts.⁷⁹ The case study in Chapter 6 will explore the pros and cons of the export of CSR practices from Western companies to their Chinese suppliers.

5.1.1 CSR in the BRICs

Given the speed of their economic development since the early nineties, it is fair to assume that implementation of effective CSR policies may not have kept pace. It is therefore necessary to consider other factors which may affect, positively or negatively, its implementation. These factors vary widely given the divergent contexts in which they are to be found at any given moment in time. The role of civil society, the main driver of CSR anywhere in the world, may provide some explanations for the

⁷⁴ Al Jazeera, "China Investment in Myanmar Soars", 16 July 2009, available at <http://www.thehindubusinessline.com/todays-paper/tp-economy/article999765.ece?ref=archive> (consulted on 22 June 2011).

⁷⁵ The Hindu Business Line, "Myanmar Invites Indian Investments", 28 July 2010, available at <http://www.thehindubusinessline.com/todays-paper/tp-economy/article999765.ece?ref=archive> (consulted on 19 June 2011).

⁷⁶ BBC, "BRIC Nations become increasingly interdependent", 14 April 2011, available at <http://www.bbc.co.uk/news/business-13046521> (consulted on 18 June 2011).

⁷⁷ Jamali and Neville, 2011, pp. 1-2.

⁷⁸ Mayer, 2004, p. 259

⁷⁹ Id. Pp. 259-262 and p. 272.

development of CSR, but the business environment together with the political conditions and socially dominant issues such as discrimination, labour rights or safety of consumer goods, to mention only a few examples, are also important factors which will affect corporate behaviour. To what extent these policies have been embraced depends also on global institutional pressures as well as the business environment.⁸⁰

The perceptions and practices of CSR in BRIC countries vary as widely among each other as do those of other countries. According to a survey by Ethical Corporation,⁸¹ Brazilian companies have been quick to embrace CSR, although the notion of corporate philanthropy has a long and historic tradition. At least outwardly, Brazilian companies have adopted many of the international standards relating to business and human rights with membership of the UN Global Compact growing by 48% between 2008 and 2010.⁸²

In India, a country in which over half the workforce⁸³ is employed in the informal economy, corporate philanthropy has a long-standing tradition in community involvement which has its roots in religion.⁸⁴ The CSR movement in India has been galvanised by a number of high profile cases of corporate misconduct and serious human rights abuses,⁸⁵ the most notable of which was the Bhopal disaster⁸⁶ which cost scores of lives and many more injuries. More recently, in December 2009, the Indian Ministry of Corporate Affairs introduced voluntary guidelines for businesses in the public sector which requires them to pay 5% of their profits in tax for CSR.⁸⁷

⁸⁰ Jamali and Neville, 2011, pp. 1-2.

⁸¹ Ethical Corporation, "Champions in the Making", Country Briefing Brazil, July 2010, available at http://www.ethicalcorp.com/resources/pdfs/content/201075215445_Briefing-%20Brazil.pdf (consulted on 4 June 2011).

⁸² Ibid.

⁸³ Sundar, 2010, p. 52.

⁸⁴ CSR360 Global Partner Network, "A Picture of CSR in India", 4 June 2010, available at <http://www.csr360gpn.org/magazine/feature/a-picture-of-csr-in-india/> (consulted on 19 June 2011).

⁸⁵ Ibid.

⁸⁶ A gas explosion in 1984 at the Union Carbide plant in Bhopal killed approximately 3,800 people. Bhopal Information Centre, available at <http://www.bhopal.com/> (consulted on 28 May 2011).

⁸⁷ CSR Asia, "India - CSR tax next?", 12 August 2010, available at <http://www.csr-asia.com/index.php?id=13576> (consulted on 28 May 2011).

In Russia, following the chaotic transition from a planned to a free market economy, the development of CSR and the debate around it is heavily influenced by the Soviet legacy whereby companies traditionally provided not just voluntary social benefits but also services ranging from health and education to infrastructure.⁸⁸ According to CSR Weltweit,⁸⁹ a non-profit organisation funded by the German Foreign Office and the Bertelsmann Foundation, CSR in Russia is still in its infancy with companies making only little use of international frameworks such as the UN Global Compact which counts only 46 Russian members,⁹⁰ of which only 20 are companies.⁹¹

China on the other hand, sent the greatest number of delegates from a single country to the UN Global Compact Leaders Summit in 2007⁹² and currently has 223 members. While in China the CSR movement has been gaining momentum since 2004 with the introduction of government designed CSR guidelines and legislation, many human rights issues continue to be excluded, particularly freedom of assembly and freedom of speech.⁹³

5.1.2 Human Rights and Corruption

Identifying common business practices and corporate cultures among the BRIC countries therefore remains limited to the fact that as their economies have rapidly emerged, the development of CSR has lagged behind. However, two factors combine which all countries share, albeit to varying degrees: a high level of corruption and human rights risk. Transparency International's Corruption Perception Index for 2010 rates all four BRIC countries hovering close to a score denoting a high level of

⁸⁸ Settles, Melitonyan and Gillies, 2009, pp. 83-93.

⁸⁹ CSR Weltweit, Russia, available at <http://www.csr-weltweit.de/en/laenderprofile/profil/russische-foederation/index.nc.html> (consulted on 25 May 2011).

⁹⁰ UN Global Compact participants, available at <http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

⁹¹ Others are registered as associations, NGOs or academic institutions.

⁹² Jamali and Neville, 2011, pp. 1-2.

⁹³ Lin, 2010, pp. 68-74.

corruption.⁹⁴ The consulting company Maplecroft identified several emerging economies including the BRICs to have deteriorating human rights records in their 2011 Human Rights Risk Atlas.⁹⁵ The report evaluates countries on the basis of key operational, strategic and reputational risks for business and draws attention to the fact that countries with a poor human rights record present added insecurity for business. India and Russia were categorised as extreme risk countries for investors in terms of security due to politically motivated violence and terrorism.

According to the 2011 Annual Report by Human Rights Watch⁹⁶ indigenous peoples and landless peasants in Brazil face threats and violence over land distribution with repeated intimidation and harassment of human rights defenders. In 2009 an estimated 6,000 forced labourers were found to be working in rural areas and the textile industry. Despite the government's efforts to redress the issue, accountability for abusive employers remains weak.⁹⁷

China has been sharply criticised for its repression of civil and political rights, its crackdown on human rights defenders and censorship of the country's 384 million Internet users. The country's 230 million migrant workers continue to face discrimination and severe labour rights abuses despite government legislation and, aside from China's official trade union, The All China Federation of Trade Unions, independent trade unions remain illegal.⁹⁸

In Russia, intimidation harassment, and, in a number of cases, the murder of human rights defenders and journalists remains particularly disturbing and represents a grave

⁹⁴ Transparency International, "Corruption Perceptions Index 2010 Results". On a scale from one to ten, with zero denoting highly corrupt, Brazil scored 3.7, China 3.5, India 3.3 and Russia 2.1. Available at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results (consulted on 15 May 2011).

⁹⁵ Maplecroft, Human Rights Risk Index 2010, available at <http://human-rights.unglobalcompact.org/#> (consulted on 15 May 2011).

⁹⁶ Human Rights Watch Annual Report 2011, available at <http://www.hrw.org/en/world-report-2011/brazil> (consulted on 18 May 2011).

⁹⁷ Ibid.

⁹⁸ Id. Available at <http://www.hrw.org/en/world-report-2011/china> (consulted on 18 May 2011).

threat to civil society and freedom of information. Russia' estimated four to nine million migrant workers often face confiscation of passports, non-payment of wages, hazardous working conditions and little means of legal redress.⁹⁹

Despite India's vibrant media and active civil society, serious human rights violations occur in connection with armed insurgencies in several regions of the country.¹⁰⁰ Forcible land acquisitions for infrastructure and mining projects, systematic discrimination against Dalits and minority groups¹⁰¹ as well as the alarming rise of farmer suicides resulting from export oriented agrarian reforms remain areas of deep concern.¹⁰²

Human rights violations and corruption levels in BRIC countries may be more widespread than this short overview allows for and may be more or less severe than in other countries. It is not the intention of this paper to analyse each country's human rights record or assess corruption levels but to provide the social and political context which has broad relevance for an interpretative analysis of the data.

⁹⁹ Id. Available at <http://www.hrw.org/en/world-report-2011/Russia> (consulted on 18 May 2011).

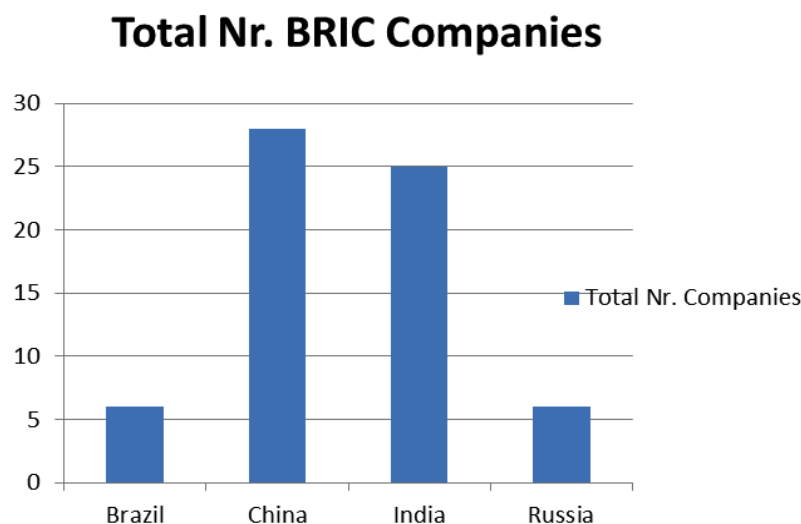
¹⁰⁰ Id. Available at <http://www.hrw.org/en/world-report-2011/India> (consulted on 18 May 2011).

¹⁰¹ Ibid.

¹⁰² Democracy Now, "Every 30 Minutes: Crushed by Debt and Neoliberal Reforms, Indian Farmers Commit Suicide at Staggering Rate", 11 May 2011, available at http://www.democracynow.org/2011/5/11/every_30_minutes_crushed_by_debt (consulted on 20 May 2011).

5.2 Overview of Responses

Table 11.



The human rights issues contained in the allegations include labour rights, discrimination, right to life, property rights and indigenous rights. Only 13 of 72 cases related to allegations occurring in countries outside of their home countries.¹⁰³

Of the 65 companies in the sample, only five¹⁰⁴ (7%) are currently participating members of the UN Global Compact. One has permanently been delisted¹⁰⁵ and two are inactive.¹⁰⁶ Companies which fail to meet the deadline for submitting an annual progress report or Communication on Progress (COP) are listed as inactive, while

¹⁰³ Countries where human rights abuses took place outside of BRIC countries were Burma, Congo, Jordan, Guyana and Sudan.

¹⁰⁴ China Power Investment, Lenovo, Coal India, DSM and Rusal, UN Global Compact website, available at <http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

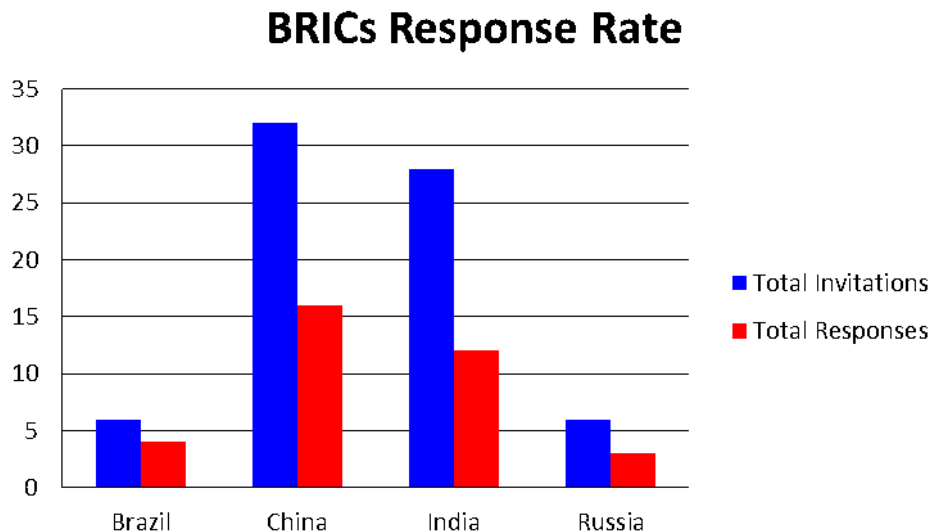
¹⁰⁵ The Brazilian company Veracel has been delisted; UN Global Compact website, available at <http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

¹⁰⁶ Amalgamated Plantations Private Ltd, National Hydroelectric Power Corporation, UN Global Compact website, available at <http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

repeated failure to submit a COP results in a company's delisting.¹⁰⁷ Less than half the companies¹⁰⁸ devoted space to their CSR or sustainable development policies on their company websites.

It should be pointed out however, that these UN Global Compact inactive participation rates are comparable with the US, Germany, the UK and France.¹⁰⁹ Indeed, it should be noted here that out of the some 70,000 multinational companies worldwide, only 274 (none of them from BRIC countries), have a human rights policy statement.¹¹⁰

Table 12.



72 invitations to respond to allegations of human rights abuses were sent to the 65 companies in the BRIC sample. Less than half responded, far lower than the 74%

¹⁰⁷ As of 1st January 2010, 1,840 companies from 5,300 had been removed from the UN Global Compact, UN Global Compact Website, available at <http://www.unglobalcompact.org/news/8-02-01-2010> (consulted on 16 June 2011).

¹⁰⁸ 14 company websites could not be found.

¹⁰⁹ 19% of 415 participating companies from the US are inactive; from Germany, 15% of 206 participating companies are inactive; from the UK, 20% of 229 participants are inactive; from France, 22% of 705 companies are inactive. UN Global Compact website, available at <http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

¹¹⁰ B&HR RC website, available at <http://www.business-humanrights.org/Documents/Policies> (consulted on 15 May 2011).

overall response rate of all company responses in the archive. The unequal numerical representation of companies from the four countries places limitations on comparisons of response rates. The data nonetheless reflect the level and content of global reporting on companies from these countries at the present time.

A quarter of all invitations in the sample were directed at the EEC sector, while the extractive and ICT industries made up 18% each. Brazil and Russia each received only six invitations in total, while China and India account for 84% of all invitations in the sample. China responded to exactly half the invitations with India responding to only 43%.

66% of all invitations to Chinese companies related to abuses in the EEC and ICT sectors, while 70% of invitations received by Indian companies involved the EEC, extractive, AFBTF and pharmaceutical sectors. Four companies in the sample received more than one invitation to reply: China Power Investment (CPI) and Lenovo, both based in China and Reliance Energy and Hindalco, based in India. In the 13 instances where allegations occurred outside the home country, five concerned Chinese, Indian and Russian companies operating in Burma. Russian companies' foreign operations all took place in the extractive sector. In total 62% of allegations of abuse abroad took place in the EEC sector.

5.3 Non Responses

Of the companies in the BRIC sample which chose not to respond, the EEC and extractive sectors again make up the largest portion, constituting almost half of all non-responses. Of the 32 companies which did not respond, it is interesting to note that just under half advertise their CSR policies on their websites and two of the companies, CPI and Lenovo, are members of the UN Global Compact.¹¹¹ Although allegations in the BRIC sample overwhelmingly relate to violations committed in the home country, over

¹¹¹ See Annex 2 for a full overview of companies from BRIC countries in the research.

half of all non-responses related to allegations occurring in countries outside the home country.

5.4 Substance and Sources of Allegations

5.4.1 Brazil

All five of the reports involving Brazilian companies operating in Brazil pertain to the environment, in particular the protection of the rainforest and the impact on indigenous peoples caused by projects in the agricultural, timber and engineering sectors.¹¹²

As mentioned in Chapter 1.4, it is not always apparent which company has the prime responsibility for its operations, as many operate with subsidiaries in the host country or, as in the case of the Brazilian engineering company Odebrecht, in transnational joint ventures with an Angolan state owned enterprise (SOE), Endiama. The company was accused of complicity in unlawful killings by Angolan security companies at its diamond mines in Angola, operating alongside the UK-based mining company ITM Mining and counted US and Israeli companies as its clients.¹¹³

Three of the invitations issued to Brazilian companies related to a high profile report by Greenpeace on the Brazilian cattle sector, "Slaughtering the Amazon".¹¹⁴ It identified a number of Brazilian companies profiting from illegal deforestation in the Amazon, citing incidents of slave labour and complicity of the Brazilian government through

¹¹² Independencia, Marfig and JBS were implicated in the Greenpeace report "Slaughtering the Amazon", June 2009, available at <http://www.greenpeace.org/international/en/publications/reports/slaughtering-the-amazon/> (consulted on 12 April 2011). Veracel was implicated in the article "Sustainable on Paper: the Eucalyptus Plantations of Bahia", *Mondiaal Nieuws*, September 2010, available at <http://www.mo.be/node/150516> (consulted on 1 July 2011). The NGO Terra de Direitos accused BAESA of human rights abuses in the report "Alcoa e Votorantim serão Denunciadas à OCDE por Organizações da Sociedade Civil", 3 June 2005, available at <http://terradedireitos.org.br/biblioteca/noticias/alcoa-e-votorantim-serao-denunciadas-a-ocde-por-organizacoes-da-sociedade-civil/> (consulted on 1 July 2011).

¹¹³ Speech by Rafael Marques at the School of Oriental and African Studies, University of London, "Angola: The New Blood Diamonds" 28 November 2006, available at <http://www.reports-and-materials.org/Marques-speech-Angola-The-New-Blood-Diamonds-28-Nov-2006.doc> (consulted on 1 July 2011).

¹¹⁴ Greenpeace, "Slaughtering the Amazon", June 2009 available at <http://www.greenpeace.org/international/en/publications/reports/slaughtering-the-amazon/> (consulted on 12 April 2011).

indirect financing. The report drew worldwide attention due to the fact that Brazilian beef and leather producers were supplying several global retailers such as Wal-Mart and Carrefour. The Greenpeace campaign ultimately forced the accused companies to adopt new environmental standards and implement stricter monitoring.¹¹⁵

5.4.2 China

Opaque business structures of companies operating abroad can result in their detachment, perceived or real, from the impact of their operations. For example, the timber company Baishanlin was criticised for poor working conditions and breaches of safety and health regulations at its plant in Guyana.¹¹⁶ Baishanlin is owned by the Chinese company BUCC International Wood Industrial and a Chinese investor based in Canada. When asked to respond to the allegations, BUCC replied that their relationship with Baishanlin was purely contractual and that the company thus had no responsibilities regarding working conditions at the plant.¹¹⁷

China's repressive measures against human rights organisations, censorship of the Internet and its ban on independent trade unions pose serious challenges for those reporting on human rights abuse inside the country. Unsurprisingly therefore, the authors of the reports in the sample are mainly foreign NGOs and investigative journalists.¹¹⁸

¹¹⁵ Ethical Corporation, Country Briefing Brazil, "Growing Pains", p. 33, July 2010, available at http://www.ethicalcorp.com/resources/pdfs/content/201075215445_Briefing-%20Brazil.pdf (consulted on 5 June 2011).

¹¹⁶ Guyana Forestry Blog, "Bai Shan Lin a Slave Camp", 16 August 2007, available at <http://guyanaforestryblog.blogspot.com/2007/08/bai-shan-lin-slave-camp-workers.html> (consulted on 1 July 2011).

¹¹⁷ B&HR RC, response from BUCC, 15 August 2007, available at <http://www.business-humanrights.org/Links/Repository/398468> (consulted on 14 May 2011).

¹¹⁸ China Labour Watch, US; South China Morning Post, Hong Kong; National Labour Committee, US; International Textile, Garment and Leather Workers Federation, multiple offices worldwide; Kachin Development Networking Group, Thailand, Irrawaddy Newspaper, Thailand; Libcom.org, UK; Terradaily.com, Australia; CSR Asia, offices throughout Asia, including Beijing; Starbroek News, Guyana; China Daily, China.

Human rights violations found in supply chains provide plenty opportunity for NGOs to exploit their global networks to disseminate their findings. A number of reports are the product of NGO alliances which have formed to launch a campaign focussing on a particular issue or sector of industry.¹¹⁹ Students and Scholars Against Corporate Misbehaviour (SACOM), based in Hong Kong, has produced a number of reports together with European NGOs such as WEED from Germany,¹²⁰ SOMO from the Netherlands,¹²¹ Bread for All, based in Switzerland¹²² and Finnwatch from Finland.¹²³ Given the export-based economy in China, the advantages of NGOs forging transnational alliances to raise awareness among Western consumers of Chinese-made products about human rights violations are fairly self-evident. The negative publicity raises the pressure on Western brand companies, which have outsourced their manufacturing operations to China, to monitor their supply chain codes of conduct more closely. The case study in Chapter 6 will look at the interplay between brand companies and Chinese manufacturers in more detail.

While the reports on Brazilian companies operating in Brazil focussed on the environment, the reports on Chinese companies operating in China documented for the most part labour rights abuses at manufacturing plants across several sectors. Business activity in the EEC sector however was the source of other types of violation and was not confined to China. Companies involved in large-scale dam projects in Burma¹²⁴ and

¹¹⁹ The Make it Fair Campaign was established to draw attention to human rights abuses in the Chinese electronics industry. Available at <http://sacom.hk/category/campaigns/makeitfair> (consulted on 1 July 2011).

¹²⁰ SACOM, "The Dark Side of Cyberspace", December 2008 available at <http://sacom.hk/wp-content/uploads/2009/01/cyberspace21.pdf> (consulted 19 May 2011).

¹²¹ Id. "Game Console and Music Player Production in China", February 2011, available at <http://makeitfair.org/the-facts/reports/game-console-and-music-player-production-in-china> (consulted 19 May 2011).

¹²² Id. "High Tech - no Rights?", May 2008, available at <http://sacom.hk/wp-content/uploads/2008/07/report-high-tech-no-rights-may2008.pdf> (consulted 7 May 2011).

¹²³ Id. "Game Console and Music Player Production in China", February 2011, available at <http://makeitfair.org/the-facts/reports/game-console-and-music-player-production-in-china> (consulted 19 May 2011).

¹²⁴ The Chinese company, China Power Investment and the Burmese state owned Asia World began building the Myitsone dam in the Kachin state of Burma in 2007. Kachinnews.com, "KDNG Urges China to Halt Dam Projects in Kachin State", 27 October 2009, available at

Sudan¹²⁵ were accused of complicity in severe environmental degradation and widespread human rights abuses including forced displacements, extortion and unlawful killings. The Myitsone dam in the Kachin state of Burma which began in 2007, is a joint venture between CPI and the Burmese state-owned Asia World Company. While CPI declined three times to respond to serious allegations of the forced displacement of approximately 15,000 villagers, extortion and forced labour,¹²⁶ its Burmese joint venture partner responded to the B&HR RC. In their response, they referred to the allegations contained in the report as falling under "*the rights of the private company*".¹²⁷ As already noted, CPI is one of only two Chinese companies in the sample which is a participating member of the UN Global Compact. In addition it gives its CSR policy significant space on its company website.¹²⁸

In April 2006, an article published by Agence France-Presse¹²⁹ reported on the killings of protesters of the construction of the Merowe dam in northern Sudan, Africa's largest hydroelectric power project. The Chinese company China International Water and Electric (CWE) was accused alongside three European companies: Lahmeyer of Germany, ABB of Switzerland and Alstom of France. The following year, the UN Special Rapporteur on Adequate Housing, Miloon Kothari, reported on the human impact of the project which entailed the forced evictions of an estimated 50,000 people and disastrous consequences for the livelihoods of local communities of the flooding of

<http://www.kachinnews.com/news/1183-kdng-urges-china-to-halt-dam-projects-in-kachin-state-.html> consulted on 1 July 2011).

¹²⁵ China International Water and Electric (CWE) was accused of complicity in the killings of protesters at the building operations of the Merowe dam in Sudan. Terradaily, "Three Killed in Sudan Protest over Nile Dam", 23 April 2006, available at <http://www.terraily.com/2006/060423102947.sxn7mwoj.html> (consulted on 1 July 2011).

¹²⁶ B&HR RC, available at <http://www.business-humanrights.org/Documents/Irrawaddy> (consulted on 15 May 2011).

¹²⁷ Id. Response from Asia World Company, available at <http://www.reports-and-materials.org/Asia-World-Company-response-re-Irrawaddy-dam-report-19-Nov-2009.doc> (consulted on 15 May 2011).

¹²⁸ CPI website, available at <http://eng.cpicorp.com.cn/SocialResponsibility/ProductionSafety/> (consulted on 31 March 2011).

¹²⁹ Terradaily, "Three Killed in Sudan Protest over Nile Dam", 23 April 2006, available at <http://www.terraily.com/2006/060423102947.sxn7mwoj.html> (consulted on 1 July 2011).

the Nile Valley.¹³⁰ The sheer brutality of the Sudanese government's handling of the relocations and protests against them caused international outcry and has resulted in what could become a landmark case in German law courts by the filing of a criminal complaint against two executives of Lahmeyer for complicity.¹³¹

In a similar case involving the shooting of protesters who opposed the building of a power plant in the Dongzhou region of China, four Chinese companies from the EEC sector were named in a report in CSR Asia.¹³² The only one to respond, Guangdong Yudean, simply redirected the enquiry to the Chinese Government Press Office. Given the seriousness of the allegations and the international media coverage these cases attracted,¹³³ it is all the more startling that the companies did not feel the necessity even to issue a denial of involvement.

As illustrated in Chapter 4.1.7, companies respond to some allegations and not to others without any apparent reason or motivation. Lenovo, which advertises its UN Global Compact membership on its CSR website,¹³⁴ received three separate invitations to respond to separate reports, of which it replied to two. Two invitations related to their labour practices¹³⁵ and one concerned Lenovo's role of sponsor of the China Olympics.¹³⁶ Lenovo responded to criticism of its sponsorship of the Chinese Olympic

¹³⁰ Relief Web, "UN Expert Urges Sudan to Respect Human Rights of Communities Affected by Hydro Electric Dam Projects, 27 August, 2007, available at <http://reliefweb.int/node/241370> (consulted on 1 July 2011).

¹³¹ European Centre for Constitutional and Human Rights, "German Engineering, Regardless of the Consequence?", 3 May 2010, available at <http://www.ecchr.eu/lahmeyer-case.html> (consulted on 15 May 2011).

¹³² CSR Asia Weekly, "Power, Protests and the Police: The Shootings at Shanwei", vol. 2, 10 May 2006, available at <http://www.csr-asia.com/index.php?id=13576> (consulted on 28 May 2011).

¹³³ EastSouthWestNorth, overview of press coverage from December 2005-January 2006, available at http://www.zonaeuropa.com/20051209_1.htm (consulted on 1 April 2011).

¹³⁴ Lenovo website, available at http://www.lenovo.com/social_responsibility/us/en/ (consulted on 10 May 2011).

¹³⁵ B& HR RC, available at <http://www.business-humanrights.org/Documents/SACOMresponses2007> and <http://www.business-humanrights.org/Documents/NLCFeb2009> (consulted on 1 April 2011).

¹³⁶ Id. Available at <http://www.business-humanrights.org/Documents/DreamforDarfur> (consulted on 1 April 2011).

Games but responded to only one of the reports on labour abuses by the NLC.¹³⁷ By contrast, the other companies cited in the same report, Dell, HP, IBM, Microsoft and Mae Tay, all responded to the B&HR RC.

5.4.3 India

In contrast to China, India has a vibrant civil society and independent media which is reflected in the sources of critical reporting in the sample. The sample of Indian companies accused of corporate abuse show that journalists, the press and online news forums are very much part of the community responsible for uncovering alleged human rights violations. The NGOs reporting in this sample partly limit themselves to issues focussing only on India, but also include global networks such as the International Transport Workers Federation and the International Union of Foodworkers.

The 25 Indian companies in the sample received 28 invitations from the B&HR RC. Only two companies, Eastern Coal Fields (Coal India) and DSM are members of the UN Global Compact and over half include their CSR policies on their company websites. Only one case involved allegations occurring outside of India.¹³⁸ Just under half of the allegations raised environmental concerns in the EEC and extractive sectors. Child labour in the textile,¹³⁹ mining¹⁴⁰ and agricultural sectors¹⁴¹ as well as labour rights violations in the food,¹⁴² construction and transport¹⁴³ sectors were also prominent. Given the scope of media reporting and NGO activism, it would be

¹³⁷ Id. Response from Lenovo, available at <http://www.reports-and-materials.org/Lenovo-response-re-NLC-report-10-Feb-2009.pdf> (consulted on 1 April 2011).

¹³⁸ National Hydroelectric Power Corporation's operations in Burma.

¹³⁹ The Telegraph India, "Meet the Sweatshop Boys", 25 November 2006, available at http://www.telegraphindia.com/1061125/asp/calcutta/story_7042022.asp (consulted on 1 July 2011).

¹⁴⁰ Mines, minerals & People, "Our Mining Children", April 2005, available at <http://ideas.repec.org/p/ess/wpaper/id962.html> (consulted on 1 July 2011).

¹⁴¹ India Committee of the Netherlands, "Child Bondage Continues in Indian Supply Chain", September 2007, available at <http://www.indianet.nl/childbondagecotton.html> (consulted on 15 April 2011).

¹⁴² Asian Foodworker, "Pesticide Worker Dies and Two Shot and Killed", 1 October 2010, available at <http://asianfoodworker.net/?p=1253> (consulted on 18 May 2011).

¹⁴³ Eye for Transport, "IFT tells Moeller-Mersk to Dump Violent Contractor", 19 November 2009, available at <http://www.eyefortransport.com/content/itf-tells-moeller-maersk-dump-violent-contractor> (consulted on 4 July 2011).

reasonable to expect a higher rate of corporate responsiveness than the relatively low response rate of 43% in the sample.

Again, there is inconsistency regarding when or to whom or on what issues the companies chose to respond. Reliance Energy responded to an invitation regarding attacks on protesters against forced displacements¹⁴⁴ but declined to comment on a petition relating to its cellular phone business and allegations of corruption involving government officials.¹⁴⁵

Hindalco, a subsidiary of Aditya Birla, responded to none of three invitations¹⁴⁶ from the B&HR RC each of which voiced concerns of environmental degradation and serious human rights violations in its mining operations in Orissa. The Canadian mining company Alcan, (now Rio Tinto Alcan), Hindalco's partner in the \$1 billion joint venture, did however respond. It should be noted that invitations were sent asking for responses to allegations which were reported on by three different sources over the course of three years: The first came from the Indian weekly online magazine Tehelka in July 2005.¹⁴⁷ The NGO, Indian People's Tribunal (IPT) subsequently published a full report in October 2006¹⁴⁸ which was followed by a report in March 2007 by the former director of the World Bank's Environment Department, Robert Goodland.¹⁴⁹ The stated purpose of the latter was to provide information to Alcan with regard to its involvement

¹⁴⁴ B&HR RC, response from Reliance Energy, available at <http://www.business-humanrights.org/Links/Repository/921562> (consulted on 1 July 2011).

¹⁴⁵ Id. Response from Reliance Energy, available at <http://www.business-humanrights.org/Links/Repository/434597> (consulted on 1 July 2011).

¹⁴⁶ Id. Responses from Hindalco, available at <http://www.business-humanrights.org/Links/Repository/249091> and <http://www.business-humanrights.org/Links/Repository/116587> and <http://www.business-humanrights.org/Links/Repository/609459> (consulted on 20 June 2011).

¹⁴⁷ Tehelka, "Mines vs People; Sleeping with the Enemy", 30 July 2005, available at http://www.tehelka.com/story_main13.asp?filename=Cr073005Sleeping_with.asp (consulted on 1 July 2011).

¹⁴⁸ Indian People's Tribunal, "Kashipur: An Enquiry into Mining and Human Rights Violations in Kashipur, Orissa", 20 October 2006, available at <http://www.iptindia.org/2006/10/kashipur-an-enquiry-into-mining-and-human-rights-violations-in-kashipur-orissa/> (consulted on 1 July 2011).

¹⁴⁹ Goodland, "India: Orissa, Kashipur: Utkal Bauxite & Alumina Project: Human Rights and Environmental Impacts", 19 March 2007, available at <http://www.business-humanrights.org/Links/Repository/609459> (consulted on 1 July 2011).

in the project and to bring social justice to the indigenous people of the region most affected by the operations. Alcan eventually withdrew from the project which remains contentious to this day.

There are further examples where Western companies appear to have been more responsive than their Indian counterparts. The 2007 report commissioned by the India Committee of the Netherlands¹⁵⁰ on child labour in India's cotton fields implicated three Indian companies, Nuziveedu, Ankur and Raasi, and Monsanto and Bayer, headquartered in the US and Germany respectively. While Monsanto and Bayer responded, all three Indian companies refused to comment.¹⁵¹

Whether the reporting comes from an NGO or from a better-known daily newspaper, and whether the reporting occurs at a local or international level may also affect corporate response rates. When the Times of India reported that three pharmaceutical companies, Max India, Ranbaxy and DSM had allegedly poisoned ground water in a village in Punjab, all three responded. In the case of child labour in the agricultural sector, the higher consumer profiles of Monsanto and Bayer may have played a role in motivating them to respond. Being seen as foreign MNEs exploiting children in developing countries would surely have been perceived as a serious threat to their reputations worldwide. Moreover, the credibility of both companies have been seriously undermined in the past through their involvement in several high profile scandals¹⁵². These initial observations could provide the basis for more detailed research in assessing the relevance of channels of reporting to pressure companies to respond to public criticism.

¹⁵⁰ India Committee of the Netherlands, "Child Bondage Continues in Indian Supply Chain", September 2007, available at <http://www.indianet.nl/childbondagecotton.html> (consulted on 15 April 2011).

¹⁵¹ B&HR RC, Responses from Monsanto and Bayer available at <http://www.business-humanrights.org/Links/Repository/812295> (consulted on 27 May 2011).

¹⁵² Monsanto was the producer of the controversial chemical Agent Orange and has been criticised for its aggressive marketing of genetically modified seeds in developing countries. Bayer has been at the centre of various scandals involving the production of chemicals.

5.4.4 Russia

The six Russian companies in the sample show a 50% response rate. Four of the companies claim to implement CSR policies on their company websites¹⁵³ while one, Rusal is a member of the UN Global Compact. With the exception of one invitation to the company Fort-S in the security/defence sector, all of the invitations related to abuses in the extractive sector, although Fort-S was a subcontractor to Gazprom in the extractive sector.

None of the reporting on human rights abuses involving Russian companies were raised by Russian NGOs. Ecolur, an Armenian ecology watchdog, the Blacksmith Institute, a NY-based non-profit organisation and the UK-based Burma Campaign were responsible for raising awareness of corporate complicity. The only domestic involvement was that of the St. Petersburg Times which reported on the beating of protestors by Fort-S at its Okhta construction site in St. Petersburg where Gazprom had planned to build a controversial tower block.¹⁵⁴ No response was received from Gazprom while Fort-S responded to the allegations saying they had put an end to the unlawful protests and that a police investigation had confirmed no wrongdoing on the part of Fort-S.¹⁵⁵

Rusal was criticised in a letter to the editor of a national newspaper in Guyana by the MP, Everall Franklin, for failing to live up to its commitments to the UN Global Compact of which it is a member.¹⁵⁶ Although Rusal responded to the B&HR RC,¹⁵⁷ the

¹⁵³ Gazprom CSR website, available at <http://www.gazprom.com/social/>; GeoProMining CSR website, available at <http://www.geopromining.com/social.html>; Norlisk CSR website, available at http://www.nornik.ru/en/development/development_strategy/social_mission/; Rusal CSR website, available at <http://rusal.ru/en/development.aspx> (consulted on 1 July 2011).

¹⁵⁴ The St. Petersburg Times, "Okhta Conflict", 27 October 2009, available at http://www.sptimes.ru/index.php?action_id=2&story_id=30139 (consulted on 4 July 2011).

¹⁵⁵ B&HR RC, Fort-S response available at <http://www.business-humanrights.org/Search/SearchResults?SearchableText=fort-s&x=0&y=0> (consulted on 20 May 2011).

¹⁵⁶ Starbroek News, "The Bauxite Company of Guyana Inc's Treatment of Bauxite Workers does not Reflect Rusal's Commitment to the Global Compact", 1 December 2010, available at <http://www.starbroeknews.com/2010/opinion/letters/12/01/the-bauxite-company-of-guyana-inc's-treatment-of-bauxite-workers-does-not-reflect-rusal's-commitment-to-the-un-global-compact/> (consulted on 20 May 2011).

company squarely laid the blame of the allegations at the employees, whom Rusal had been accused of unfairly dismissing.

With such a small number of Russian companies in the sample, one can only speculate rather than draw conclusions. Nonetheless at first sight, it appears that the reactions from a similarly small sample of Brazilian companies resulted in wider media attention and consequences. Aside from the impact of the Greenpeace report¹⁵⁸ mentioned earlier, the Brazilian company Veracel, for example, was sentenced in 2008 to a fine of \$12.5 million in a historic federal court decision in Brazil for environmental violations.¹⁵⁹ While efforts to halt BAESA from building the Barra Grande dam ultimately failed, environmental pressure groups were successful in lobbying for more scrutiny in the tendering of contracts and environmental impact reports as well as pressuring BAESA to establish a compensation fund for the displaced.¹⁶⁰ And although the diamond mining company Odebrecht flatly denied responsibility for the allegations made against it amid claims of false and inaccurate reporting, the correspondence between Odebrecht and journalist Rafael Marques nevertheless reveals a company plainly under pressure to respond.¹⁶¹

¹⁵⁷ B&HR RC, response from Rusal, available at <http://www.business-humanrights.org/Links/Repository/1003529> (consulted on 4 July 2011).

¹⁵⁸ Greenpeace, "Slaughtering the Amazon", June 2009, available at <http://www.greenpeace.org/international/en/publications/reports/slaughtering-the-amazon/> (consulted on 12 April 2011).

¹⁵⁹ World Rainforest Movement, "Brazil: Historic Federal Court Decision Sentences Veracel Celulose for Environmental Violations, WRM Bulletin, no. 132, July 2008, available at http://www.wrm.org.uy/bulletin/132/Brazil_2.html (consulted on 20 May 2011).

¹⁶⁰ Global Greengrants Fund, "Barra Grande: The Hydroelectric Dam that Ignored the Forest", 20 February 2006, available at <http://www.greengrants.org/2006/02/20/barra-grande-the-hydroelectric-dam-that-ignored-the-forest/> (consulted on 20 May 2011).

¹⁶¹ B&HR RC, responses from Odebrecht, available at <http://www.business-humanrights.org/Documents/Angola-diamonds> (consulted on 20 May 2011).

5.5 Types of Response

The responses from the BRIC sample¹⁶² have been categorised according to the types of language they contain. They range from one-line statements redirecting the enquiry to a third party¹⁶³ to ten page detailed correspondence with specific references to the allegations¹⁶⁴ in question. In some rare cases companies show appreciation for the opportunity to clarify the allegations and signal a strong willingness to engage with the author to seek a solution to the problem.¹⁶⁵ Some responses contain denials of some allegations while partially acknowledging others.¹⁶⁶ Many of the responses however appear to have been drafted in such a way as to eliminate any risk of liability claims.¹⁶⁷ For example they contain rebuttals but at the same time inform that steps have been taken to remedy the situation.¹⁶⁸ In some cases neither a denial nor an acknowledgement is made of criticism but remedies have nonetheless been implemented.¹⁶⁹ Where there is a statement of denial but remedies pertaining to the allegations have been implemented, this has not been interpreted as a partial acknowledgement of an allegation.¹⁷⁰ Where remedies to mitigate the allegations and provide compensation for victims have been implemented, it does not necessarily follow that this took place as a result of the correspondence or public pressure, but may have been implemented prior to public criticism as a result of legal or

¹⁶² Id. All responses available at <http://www.business-humanrights.org/Documents/Update-Charts> (consulted 1 July 2011).

¹⁶³ Id. Response from Guangdong Yudean available at <http://www.reports-and-materials.org/Guangdong-Yudean-response-Shanwei-13-Jun-2006.doc> (consulted 1 July 2011).

¹⁶⁴ Id. Response from Veracel available at <http://www.business-humanrights.org/media/documents/veracel-response-mn-oct-2010.pdf> (consulted 1 July 2011).

¹⁶⁵ Id. Response from Kingmaker Footwear available at <http://www.reports-and-materials.org/Kingmaker-Footwear-response-re-Zhuhai-labour-conditions-30-Aug-2005.doc> (consulted 1 July 2011).

¹⁶⁶ Id. Response from Excelsior Electronics available at <http://www.reports-and-materials.org/Excelsior-Electronics-response-SACOM-WEED-report-28-Apr-2009.doc> (consulted on 1 July 2011); some allegations are refuted, while some are partially acknowledged.

¹⁶⁷ Id. Response from Rusal available at <http://www.business-humanrights.org/Search/SearchResults?SearchableText=rusal&x=0&y=0> (consulted on 20 May 2011).

¹⁶⁸ Id. Response from Himagiri Hydro Energy, available at <http://www.reports-and-materials.org/Himagiri-response-re-ACT-petition-9-Mar-2009.doc> (consulted on 1 July 2011).

¹⁶⁹ Id. Response from Fittec, available at <http://www.business-humanrights.org/Documents/SACOMresponses2007> (consulted on 21 May 2011).

¹⁷⁰ Id. Response from Coal India (Eastern Coalfields Ltd) available at <http://www.reports-and-materials.org/Coal-India-response-to-Tehelka-article-10-Feb-2009.doc> (consulted on 21 May 2011).

contractual obligations.¹⁷¹ The companies in the sample often use their responses to restate their claims that they generally act in an ethical way.¹⁷² This has not however been interpreted to mean that remedies have been implemented subsequent to the criticism. Nor does it necessarily follow that the company's ethical corporate conduct has been improved due to public pressure.¹⁷³ No responses I came across admitted any failure on the part of the company to implement more stringent measures that would have prevented the allegations from occurring in the first place. Only the Chinese company Harbin contained the words "human rights" in its response.¹⁷⁴ In fact the word "rights" appears in none of the correspondence, unless specifically referring to the allegations. In some cases, companies attempt to deflect from the criticism levelled against them by discrediting the authors. Undermining the competence of the authors is different from blatantly denying the allegations. It uses derogatory language which infers that the authors are unprofessional, unscrupulous or acting on ulterior motives.¹⁷⁵

Regardless of whether a company denies or acknowledges the accusations against them, almost all responses contain language which reinforces companies' acknowledgement of their human rights obligations. The use of words such as "corporate citizenship", "ethical", "commitment", "responsibility", "environment friendly" or "sustainability" feature prominently in the correspondence.

¹⁷¹ Id. Response from BAESA, available at <http://www.reports-and-materials.org/BAESA-statement-re-Barra-Grande-OECD-Guidelines-complaint-14-June-2005.doc> (consulted on 21 May 2011).

¹⁷² Id. Response from Swire Beverages, available at <http://www.reports-and-materials.org/Swire-Beverages-response-re-SACOM-29-Sep-2009.pdf> (consulted on 21 May 2011).

¹⁷³ Id. Response from Harbin Power Engineering Company Ltd available at <http://www.reports-and-materials.org/Harbin-response-re-Merowe-Dam-10-Oct-2007.doc> (consulted on 21 May 2011).

¹⁷⁴ Ibid.

¹⁷⁵ Id. Response from BEIL, available at <http://www.business-humanrights.org/Links/Repository/515281> (consulted on 21 May 2011).

5.5.1 Characteristics of Responses

Denial:

The response clearly refutes all allegations and acknowledges no responsibility for them or refers responsibility to the partner or holding company of a joint company operation.

Partial Acknowledgement

The response acknowledges in part allegations made against the company without taking responsibility and / or by undermining the seriousness or reliability of the allegations.

Specific Reference to Allegations

The response refers specifically to all allegations made against the company in contrast to a general statement. Specific references are an indication that the allegations are being treated seriously and are being responded to by those familiar with the issues at stake. This is in contrast to responses sent by Communications Departments, often comprising standard PR or defensive legal language.

Remedies Implemented

The response states that the company has taken steps to remedy the situation by making changes in policy and / or providing compensation for the victims. The fact that a company has already taken steps to improve the situation *before* responding, signals keenness to avert further negative attention or possible legal consequences.

Assurance to Implement Remedies

The response states that the company intends to take steps to remedy the situation and / or provide compensation¹⁷⁶ for victims. This type of response signals an acknowledgement that a remedy is necessary in order to thwart more negative attention or legal consequences.

¹⁷⁶ Compensation refers to payment of unpaid wages or compensation for land acquisition.

Willingness to Engage

The response contains an offer to engage in further dialogue with the author. A willingness to engage can be seen as an indicator of how seriously the company takes the report or the potential legal or reputational consequences it may incur. The language used to define "engage" goes beyond the commonplace closing line of correspondence, such as "*...please do not hesitate to contact us....*"; *... for further information please contact...*".

A willingness to engage is characterised by such language as "*...we welcome the opportunity to engage in constructive dialogue...*"; "*...we will keep you informed of new developments....*"

HQs	Company	Denial	Partial Acknowledgement	Specific Reference to Allegations	Remedies Implemented	Assurance to Implement Remedies	Willingness to Engage
Brazil	BAESA		✓	✓	✓		✓
Brazil	Independencia				✓	✓	✓
Brazil	Odebrecht	✓		✓			✓
Brazil	Veracel	✓		✓			
China	Baishanlin		✓				
China	Bestec Electronics		✓	✓	✓	✓	
China	Excelsior Electronics	✓	✓	✓	✓		
China	China Forestry		✓		✓	✓	
China	China International Water & Electric Corp. (CWE)	✓					
China	China Road & Bridge	✓					
China	Fittec			✓	✓		
China	Full Start			✓	✓	✓	✓
China	Guangdong Yudean ¹⁷⁷						

¹⁷⁷ The response from Guangdong Yudean makes neither a denial nor an acknowledgement but refers the enquiry to the Government Press Office. B&HR RC, available at <http://www.reports-and-materials.org/Guangdong-Yudean-response-Shanwei-13-Jun-2006.doc> (consulted on 22 May 2011).

HQs	Company	Denial	Partial Acknowledgement	Specific Reference to Allegations	Remedies Implemented	Assurance to Implement Remedies	Willingness to Engage
China	Harbin Power Engineering Ltd.	✓			✓	✓	✓
China	Henan Rebecca Hair Products	✓					
China	Hoida ¹⁷⁸			✓			
China	Kingmaker Footwear		✓	✓	✓		✓
China	Lenovo		✓	✓	✓		
China	Lenovo ¹⁷⁹						
China	Mae Tay				✓	✓	
China	Swire Beverages			✓	✓		
India	Amalgamated Plantations Private Ltd.	✓					
India	Beil	✓		✓	✓		✓
India	DSM		✓		✓	✓	
India	Eastern Coalfields Ltd.	✓		✓	✓		

¹⁷⁸ Id. The response from Hoida makes no denial or acknowledgement of the allegations but consists of a statement of commitment to fair, accountable and transparent conduct. Available at <http://www.reports-and-materials.org/Hoida-response-4-Aug-2008.pdf> (consulted on 22 May 2011).

¹⁷⁹ Id. The response from Lenovo contains nothing pertaining to human rights abuses in Darfur. Available at <http://www.reports-and-materials.org/Lenovo-Dream-for-Darfur-response-11-Dec-2007.doc> (consulted on 22 May 2011).

HQs	Company	Denial	Partial Acknowledgement	Specific Reference to Allegations	Remedies Implemented	Assurance to Implement Remedies	Willingness to Engage
India	Gateway Terminals India				✓	✓	
India	Himagiri Hydro Energy Pvt. Ltd.	✓		✓	✓	✓	
India	Jindal Vijayanagar Steel Ltd.	✓					✓
India	Max India	✓					
India	National Mineral Development Corporation	✓					
India	Ranbaxy	✓					
India	Reliance Energy	✓		✓	✓		
India	SP International	✓		✓			
Russia	Fort-S	✓					
Russia	Norilsk Nickel	✓					
Russia	Rusal	✓		✓			✓
Total	36	20 (56%)	8 (22%)	17 (47%)	18 (50%)	9 (25%)	9 (25%)

The most frequent type of response (56%) contained the language of denial and no acknowledgment of responsibility, even when in some cases remedies had been implemented, either prior to or subsequent to the response. Of nine cases where a

company signalled a willingness to engage with the author, four of them simultaneously denied the allegations. Almost half of the respondents referred specifically to the allegations made against them, regardless of whether they denied or acknowledged them. Half the responses stated that either remedies had already been taken or gave assurance that they would be taken in future. Of these respondents six simultaneously denied the allegations.

The patterns of response in this sample show that companies have an evidently self-contradictory and incoherent approach to responding to public criticism. In an attempt to reveal more about how companies deal with allegations of human rights abuses and to assess the impact of public pressure on corporate behaviour, the next chapter will track the reporting of allegations of corporate misconduct in the electronics sector in South West China. It will examine the implications of ensuring ethical business practices across the supply chain, corporate reactions to criticism and the impact on working conditions in the factories in question between November 2006 and August 2009.

CHAPTER 6

CASE STUDY: THE ELECTRONICS SECTOR IN SOUTH WEST CHINA

There are a number of reasons for focussing on this case. It illustrates some of the most prevalent labour rights issues in the Chinese manufacturing industry today and offers the opportunity to determine what factors may contribute to how the companies in question respond to allegations of human rights violations. It uses three NGO reports by SACOM and the NLC between 2006 and 2009 in which both Chinese manufacturers and international brand companies were cited. SACOM is an independent Hong Kong-based NGO whose mission¹⁸⁰ is to improve worker's rights and to advocate against corporate abuse in South China. The NLC, now known as the Institute for Global Labor and Human Rights, is based in the USA and is dedicated to improving workers' rights worldwide.¹⁸¹ The time span covered by the three reports allows for an assessment of whether or not public pressure resulted in real and lasting improvement of workers' rights in electronics production facilities in Guangdong Province in South West China.

The reports cover a range of companies operating both in the Chinese domestic context and globally. The various company responses demonstrate differing reactions and levels of responsiveness and engagement at various stages of dialogue with their critics. The case study sets out to determine whether factors other than public pressure may contribute to any improvements which were made. It will look at the enforcement of existing domestic legislation; the implementation of soft law and voluntary codes of conduct; the CSR policies of the companies; and the companies' level of commitment to respect human rights. The case study also offers an opportunity to look at the companies' supply code relationships and how they may affect working conditions. Finally, the case shows how local NGOs can collaborate transnationally and increase pressure on companies on a global level.

¹⁸⁰ SACOM mission, available at <http://sacom.hk/mission> (consulted on 1 July 2011).

¹⁸¹ Institute for Global Labor Rights, available at <http://www.globallabourrights.org/about> (consulted on 30 June 2011).

6.1 Background

Since the late 1990s NGOs and the media have been reporting on abusive working conditions in China's booming manufacturing industries.¹⁸² The rise of outsourcing of production by companies from developed countries to countries where production costs are lower is perhaps the most salient feature of a globalised economy.¹⁸³ Cheaper production costs in developing countries are often a result of weak legislation or lack of enforcement, leaving labour rights unarticulated and, for many, impossible to invoke. At the same time, pressure from client companies to produce faster and more flexibly can further undermine wages and workers' rights leading to the so-called "race to the bottom".¹⁸⁴ However, the trend has brought with it many risks for high profile brand companies which are found to be sourcing from abusive factories. Consumer boycotts and campaigns have shown that it is not just the product itself, but how the product is produced which affects consumer choices.¹⁸⁵ The landmark *Kasky v. Nike* case¹⁸⁶ put brand companies on notice that societal expectations of CSR had now extended to the supply chain and that corporations could no longer use ethical claims solely for PR purposes but had to actually practice what they preached. Ultimately, client companies could be held responsible for human rights abuses in supply chains outside of their direct control.¹⁸⁷ The spate of self-regulatory and industry-wide codes of conduct which subsequently began to emerge was an effort to extend control of supply chains, primarily addressing labour issues, by contractual means.¹⁸⁸ A number of codes of conduct are the result of multi-stakeholder dialogues which include businesses, NGOs, civil society and governments.

¹⁸² The Guardian, "Fashion Favourites Named in Sweatshop Lawsuit", 15 January 1999, available at <http://www.guardian.co.uk/world/1999/jan/15/michaelellison?INTCMP=SRCH> (consulted on 10 June 2011).

¹⁸³ Mares, 2010, p. 196.

¹⁸⁴ SACOM, "High Tech-No Rights?", May 2008, p. 45, available at <http://sacom.hk/archives/176> (consulted on 7 May 2011).

¹⁸⁵ Ethical Consumer provides a list of all active consumer boycotts, available at <http://www.ethicalconsumer.org/Boycotts/currentboycottlist.aspx> (consulted on 10 June 2011).

¹⁸⁶ Mayer, 2007, pp. 65-66.

¹⁸⁷ McBarnet and Kurchiyan, 2007, pp. 62-64.

¹⁸⁸ Ibid.

Identifying client/supplier relationships and corroborating evidence of complicity however is exacerbated by brand companies' reluctance to make their suppliers lists public.¹⁸⁹ Claims of fear of anti-trust laws and competitive disadvantage are among the most common arguments to justify strict discretion. It is therefore challenging to unravel the web of client/supplier relationships which characterise today's globalised economy. This lack of transparency provides, intentionally or not, a kind of screen behind which client companies are able to conceal the extent of their obligations in the supply chain and distance themselves from allegations of abuse.

6.2 "Clean Computers Campaign: Report on Labour Rights in the Computer Industry in China", SACOM, November 2006.

The report¹⁹⁰ was published in both Chinese and English¹⁹¹ and investigated labour conditions in 13 electronics factories in Shenzhen which supply electronic components to some of the world's leading computer companies. The investigation invited responses from all 13 factories as well as the 47 companies they supplied. The findings concluded that prison like conditions existed and that serious human rights violations occurred on a systematic basis arising from excessive and forced overtime, unpaid wages, discrimination, hazardous working conditions, child labour, the absence of contracts and non provision of health and social insurance. Where SACOM received no reply, the B&HR RC issued further invitations to respond to four manufacturers, Bestec, Fittec, Xinhao and Yonghong Factory, as well as six brand companies, Delta, Dell, Motorola, NEC, Samsung, Lenovo and TCL. Of the manufacturers, only Bestec and Fittec responded while all brand companies responded except Lenovo.

¹⁸⁹ SACOM, "High Tech - No Rights?", May 2008, pp. 52-56, available at <http://sacom.hk/wp-content/uploads/2008/07/report-high-tech-no-rights-may2008.pdf> (consulted 7 May 2011).

¹⁹⁰ Id. "Clean up your Computer Campaign; Yonghong Electronics", February 2007, available at http://sacom.hk/wp-content/uploads/2008/09/yonghongelectronicsreport_eng.pdf (consulted on 1 July 2011).

¹⁹¹ Ibid. The report was translated into English by the B&HR RC in February 2007. Available at http://sacom.hk/wp-content/uploads/2008/09/yonghongelectronicsreport_eng.pdf

6.3 *The Legal Setting*

6.3.1 *The Law*

Companies are obliged to comply with the legislation of the country in which they are operating. The allegations made against the Chinese manufacturers in the SACOM report were all in breach of existing domestic legislation contained in the China Labour Act of 1994¹⁹² which lays out clear provisions for a minimum wage, limits on overtime, which must be voluntary, payment of wages, health and safety and the prohibition of child workers under the age of 18. China has also ratified four of the ILO core conventions,¹⁹³ the International Covenant on Economic, Social and Cultural Rights,¹⁹⁴ the Convention on the Rights of the Child¹⁹⁵ and the Convention on the Elimination of all Forms of Discrimination against Women.¹⁹⁶ The allegations against the Chinese manufacturers were not isolated incidents but demonstrated an abusive culture within the Chinese manufacturing industry in various sectors. NGOs and the media, in particular in the run up to the China Olympics in 2008, had been reporting for some time on adverse working conditions in factories in China in general. It is therefore safe to assume that the brand companies were aware, if not of detailed, specific abuses, then at least of the permissive environment in which abuses were routinely taking place. Motorola, for example, had already been alerted by SACOM in August 2006 to abusive work practises by another of its suppliers, Hivac Startech Film Window in Shenzhen.¹⁹⁷ Against this backdrop, societal expectations of client companies to perform a more rigorous due diligence before entering into contractual agreements with their suppliers

¹⁹² ILO, Chinese Labour Act, July 1994, available at <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/37357/64926/E94CHN01.htm> (consulted on 11 May 2011).

¹⁹³ Id. China Ratification Status of up-to-date Conventions, available at <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03&country=China> (consulted on 1 July 2011).

¹⁹⁴ UN Treaties Collection website, available at http://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=IV-3&chapter=4&lang=en (consulted on 15 May 2011).

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

¹⁹⁷ SACOM, "Hivac Startech Film Window (Shenzhen) Co., Ltd. An Investigative Report on Labor Conditions", August 2006, pp. 1-4, available at <http://sacom.hk/wp-content/uploads/2008/07/english-report-aug2006-hivac-startech.pdf> (consulted on 7 May 2011). The report alleged that the supplier negligently exposed its workers to toxic substances.

are justifiably high. Failure to do so will understandably result in accusations of complicity that are hard to deny.

6.3.2 Soft Law and Self-Regulation

In the absence of international binding legislation for MNEs, the question and major challenge they face is therefore to what extent their business practice can and should fill the gap which facilitates human rights violations, particularly when operating in countries where the state fails in its duty to protect the rights of its citizens.¹⁹⁸ It is this question which has driven the debate on CSR and has led to the development of voluntary codes of conduct and soft law, which, although not legally enforceable, reiterate the international community's expectations that corporations should, at the very least, do no harm. The UN Guiding Principles,¹⁹⁹ OECD Guidelines,²⁰⁰ the UN Global Compact and the ILO core conventions²⁰¹ provide a set of principles for corporations to respect human rights, particularly when operating in an environment which otherwise provides no protection. In addition, a number of self-regulatory initiatives attempt to establish standards specific to businesses in particular sectors, such as the EICC in the electronics sector.

In an effort to demonstrate publicly their commitment to compliance with these standards, over 40 companies in the electronics sector have signed up to the EICC, designed specifically to address challenges across the supply chain. The EICC code of conduct obliges participants to comply with laws, rules and regulations of the countries in which they operate and to respect the human rights of workers as understood by the

¹⁹⁸ IHRB, "From Red to Green Flags", 2 May 2011, pp. 3-7, available at http://www.ihrb.org/news/2011/from_red_to_green_flags.html (consulted on 3 July 2011).

¹⁹⁹ Report of the Special Representative of the Secretary General on the issue of human rights and transnational corporations and other enterprises, 21 March 2011, available at <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf> (consulted on 4 July 2011).

²⁰⁰ OECD website, Guidelines for Multinational Enterprises, 2008, available at <http://www.oecd.org/dataoecd/56/36/1922428.pdf> (consulted on 10 April 2011).

²⁰¹ ILO website, Declaration on Fundamental Principles, available at <http://www.ilo.org/declaration/lang-en/index.htm> (consulted on 11 May 2011).

international community.²⁰² To become a participant, a business must "*declare its support for the code*"²⁰³ and "*actively pursue conformance*".²⁰⁴ No other references in the code are made to compliance, monitoring or reporting. Although the standards laid out in the code are consistent with minimum international standards concerning labour rights, the code specifically states that it cannot be interpreted to mean that it creates third party rights for others, including those of workers. Therefore with a lack of compliance mechanisms and non-enforceability of the rights upon which the code is based, it is simply an addition to the numerous guidelines and standards already in existence. Those most relevant to the electronics sector and therefore to the companies in this case study, include but are not limited to: the Global e-Sustainability Initiative (GeSI),²⁰⁵ the Social Accountability 8000 Standard certification scheme (SA8000),²⁰⁶ Health and Safety Standard 18001 (OHSAS 18001),²⁰⁷ International Organisation for Standardisation 14001 (ISO 14001).²⁰⁸ Over and above, an increasing number of companies have developed their own codes of conduct. These initiatives vary widely in their scope and membership.

In the context of self-regulation it is necessary to mention the growth of SRI²⁰⁹, which many view as a positive force for encouraging ethical business conduct. The emergence of ratings indexes such as FTSE4 Good require companies to report on non-pecuniary business practices, resulting in a higher level of scrutiny of corporations' public commitments to CSR. The indexes have however been criticised for failing to impose

²⁰² EICC Code of Conduct, version 3, 2009, p. 1, available at <http://www.eicc.info/EICC%20CODE.htm> (consulted on 10 April 2011).

²⁰³ Ibid.

²⁰⁴ Ibid.

²⁰⁵ Global e-Sustainability Initiative website, available at <http://www.gesi.org/> (consulted on 4 July 2011).

²⁰⁶ Social Accountability International website, available at <http://www.sa-intl.org/> (consulted on 4 July 2011).

²⁰⁷ OHSAS18001 Health and Safety Standard website, available at <http://www.ohsas-18001-occupational-health-and-safety.com/> (consulted on 4 July 2011).

²⁰⁸ International Organisation for Standardisation website, available at <http://www.iso.org/iso/home.html> (consulted on 4 July 2011).

²⁰⁹ Martin, 2009, pp. 549-550.

criteria which are strict enough to ensure compliance with human rights issues rather than offering an opportunity for enhancing brand value.²¹⁰

The following case study shows that the lack of enforcement of domestic legislation and the Chinese government's failure to uphold its international obligations ultimately contributed to the complicity of the brand companies sourcing their goods from the manufacturers. Criticism is therefore directed at both the Chinese corporations for non-compliance with national legislation and foreign source companies for compliance in the resulting abuses, often in violation of their own codes of conduct.

6.4 Responses from Chinese Companies

Of the six Chinese companies which received invitations to respond from the B&HR RC,²¹¹ only two manufacturers, Bestec and Fittec, replied.

Both companies referred specifically to the allegations made against them and communicated what steps had been taken remedy to them.²¹² The fact that the responses are relatively detailed and contain indirect admissions of violations in so far as they adopt corrective measures, reflects a level of awareness of their obligations. The responses however show no willingness to engage with their critics to deepen their knowledge and develop a long term improvement strategy. Rather they resemble a list of answers to SACOM's questions but offer no other information on their CSR policies.

It is perhaps surprising that Lenovo, as the only Chinese company in the sample which is a member of both the UN Global Compact and the EICC did not feel obliged to respond. Not only does this raise questions as to the monitoring of compliance of members of these self-regulatory instruments, it also demonstrates the disparity between company public statements and implementation of commitments in reality. Lenovo's

²¹⁰ Blowfield and Murray, 2011, pp. 248-251.

²¹¹ B&HR RC, Responses from Bestec, Delta and Fittec available at <http://www.business-humanrights.org/Documents/SACOMresponses2007> (consulted on 1 July 2011).

²¹² Ibid. Available at <http://www.business-humanrights.org/Documents/SACOMresponses2007>

website puts its strategy of "world sourcing"²¹³ at the heart of its success. The company explains its strategy:

*"Lenovo defies geographic and organizational boundaries on a global scale.....We locate hubs of excellence where they create the most value. In today's economy, Lenovo believes customers judge companies solely by the level of value they deliver to customers worldwide."*²¹⁴

The company's US website²¹⁵ provides extensive information on how Lenovo manages its global supply chain:

*"The company embraces the values of customer satisfaction, innovation, operational excellence and trustworthiness. Lenovo seeks to integrate these core values into every aspect of its business,..... employee welfare, global supply chain, ethical corporate behavior, social investments and environmental affairs. Lenovo has been a member of the Electronic Industry Citizenship Coalition (EICC) since June 2006."*²¹⁶

Lenovo goes on to confirm that its tier one suppliers too must comply with the EICC code of conduct and that it has implemented an "aggressive" compliance programme for its tier two suppliers.²¹⁷

"By working together, Lenovo and other member companies are

²¹³ Lenovo UK website, available at http://www.lenovo.com/lenovo/uk/en/our_company.html (consulted on 1 July 2011).

²¹⁴ Ibid.

²¹⁵ Lenovo US website, global supply chain, available at http://www.lenovo.com/social_responsibility/us/en/global_supply_chain.html (consulted on 10 May 2011).

²¹⁶ Ibid.

²¹⁷ Ibid.

creating a comprehensive strategy, including tools and processes to proactively pave the way for a standards-based approach for monitoring suppliers' performance across several areas of social responsibility. These areas include labor practices, health and safety, ethics, and protection of the environment."²¹⁸

With so much effort, emphasis on corporate citizenship and assurances of ethical behaviour, it is hard to understand how and why Lenovo then entered into contractual relations with four of the manufacturers²¹⁹ listed in the SACOM report and subsequently found no reason to respond to serious allegations which violate their voluntary commitments. Furthermore, two of Lenovo's suppliers, Yonghong Factory and Xinhao, similarly failed to respond when contacted by the B&HR RC.

6.5 Responses from Foreign MNEs

All five foreign brand companies responded to invitations from the B&HR RC:²²⁰ Dell (USA), Delta (Taiwan), Motorola (USA), Samsung (South Korea) and NEC (Japan). Dell, Motorola and Samsung are participants of the EICC while NEC is the only member of the UN Global Compact. With the exception of Delta, all companies devote substantial space to their CSR policies on their company websites and make explicit references to their CSR commitments in their correspondence. All companies, including Delta, made assurances that the allegations had been or were being investigated and that corrective measures had either already been implemented or would be implemented pending the results of enquiries. Samsung and Dell signalled a clear willingness to engage with NGOs and other stakeholders in an effort to improve the situation.

²¹⁸ Ibid.

²¹⁹ Companies supplying Lenovo were Yonghong Factory, Lixun, Xinmei and Xinhao. SACOM report, "Clean Computers Campaign", November 2006, SACOM website, available at http://sacom.hk/wp-content/uploads/2008/09/yonghongelectronicsreport_eng.pdf (consulted on 1 July 2011).

²²⁰ B&HR RC responses from Dell, Delta, NEC, Motorola, Samsung and NEC, available at <http://www.business-humanrights.org/Documents/SACOMresponses2007> (consulted on 1 July 2011).

The responses reflect the challenges of ensuring compliance throughout multiple tiered supply chains and expose some of the inherent contradictions of self-regulation. Without reciprocity among industry peers and with no enforcement mechanisms an uneven playing field emerges, creating competitive advantage for less scrupulous players. NEC, Dell and Motorola specifically refer to the necessity to apply industry-wide codes of conduct and implement third party audits to ensure compliance.²²¹ But despite the plethora of guidelines, codes of conduct, certification schemes and public pledges of ethical conduct, the investigations carried out by SACOM demonstrate an overall lack of teeth when it comes to implementation and monitoring. To a certain extent, the responses show an admission of failure of such initiatives. Dell explicitly concedes that "*...insufficient business processes were of great concern.*"²²² In other words, the codes lack the means to ensure that standards are embedded in management strategies. However the responses stop short of acknowledging a need for regulation. On the one hand, calls are made for industry-wide standards but at the same time companies recognise that they lack the means of ensuring compliance.

6.6 The Regulatory Gap

Given the existence of domestic legislation and the EICC code of conduct, which in theory should have prevented human rights abuse, SACOM made clear and explicit recommendations as to how to prevent human rights violations from occurring in future.²²³ In view of the unreliability of the authorities to enforce their laws and companies to enforce their own regulations, the report called for workers to receive training in labour rights and standards laid out in the EICC code of conduct and to increase worker participation in monitoring to prevent the widespread practice of

²²¹ Ibid.

²²² Ibid.

²²³ Id. "Clean up your Computer Campaign; Yonghong Electronics", February 2007, available at http://sacom.hk/wp-content/uploads/2008/09/yonghongelectronicsreport_eng.pdf (consulted on 1 July 2011).

falsification of audits.²²⁴ The recommended strategy therefore is not one of more legislation and regulation, rather it advocates for more empowerment of those most affected as drivers of enforcement. As the B&HR RC acts solely in the role of intermediary and not as an advocate of NGOs, I will look at the correspondence between SACOM and one of the brand companies named in the report to assess the extent to which companies reacted to their recommendations. For this purpose, the next section will look at the dialogue which developed between SACOM and Hewlett Packard (HP). As SACOM was not available to comment on the report and its findings, the correspondence between HP and SACOM, as published on the B&HR RC,²²⁵ is the primary source of analysis.²²⁶

6.7 Engaging with Critics

As previously pointed out, human rights violations in Chinese factories had been well documented by others prior to the release of the SACOM report. Already in 2002, HP had launched its Social and Environmental Responsibility Programme which aimed to control its supply chain more effectively. In addition, HP introduced a training programme, The Focused Improvement Supplier Initiative (FISI), for the management staff of its suppliers in 2006. Its objective was to improve the social and environmental obligations of their suppliers, thus indirectly supporting HP in their stated commitments to respect human rights throughout the supply chain. HP was mentioned in the report as a source company of eight manufacturers in the investigation, three of which were tier one suppliers.

The correspondence from HP acknowledges the seriousness of the allegations and the challenges in exerting sufficient control over an increasingly invisible supply chain. The company outlines specific measures and remedies it has implemented, such as training

²²⁴ Ethical Trading Initiative, "Getting Smarter at Auditing", Report from ETI Members' Meeting, 16 November 2006, pp. 8-9, available at <http://www.ethicaltrade.org/resources/key-eti-resources/getting-smarter-at-auditing> (consulted on 23 June 2011).

²²⁵ B&HR RC, responses to SACOM report, available at <http://www.businesshumanrights.org/Documents/SACOMresponses2007> (consulted on 1 July 2011).

²²⁶ Attempts to contact SACOM were unsuccessful.

for management staff to ensure compliance with the EICC code of conduct. In all the correspondence available, the company shows a strong willingness to engage with SACOM and other NGOs by participating in conference calls and on-site meetings and providing updated status reports. At all times, the company reiterates its ethical commitments.

The main thrust of the correspondence from SACOM addresses the shortcomings of the training programme which was provided only to management staff. It recommends that labour rights training should be extended to workers on the factory floor with the overall objective of educating them on their rights and by so doing, building their capacity to monitor compliance with the EICC code of conduct. Furthermore SACOM urgently recommends that HP set a precedent in the industry to improve transparency by making their suppliers publicly know and hence assist in identifying responsibility for claims of abuse.

The following section looks at the findings of two further follow up reports in the electronics industry in China in order to assess any changes that took place and identify linkage between those changes and the actors involved.

6.8 Implementing Recommendations

6.8.1 SACOM Report: "High Tech - No Rights?"

SACOM made a further investigative report which was published in May 2008 in collaboration with another NGO, Bread for All, to assess if improvements had been made in the Chinese electronics industry.²²⁷ The researchers of the report conducted independent surveys of another six factories, including Yonghong Factory which had been cited in the previous report, and issued questionnaires to five of the brand companies they supplied: Apple, Dell, Acer, HP and Fujitsu Siemens. The companies were asked to comment on how their CSR policies were implemented between January

²²⁷ SACOM, "High Tech - No Rights?", May 2008, available at <http://sacom.hk/wp-content/uploads/2008/07/report-high-tech-no-rights-may2008.pdf> (consulted on 7 May 2011).

2007 and March 2008.²²⁸ The outcome of the study showed no marked improvement in conditions for workers in the industry, with low wages, partial non-payment of wages, lack of work contracts, hazardous working conditions and mandatory overtime still rife.²²⁹ Again, the report concluded that the manufacturing companies were failing to abide by China's labour laws and that brand companies were failing to implement their own codes of conduct as well as the EICC code. Indeed the researchers were able to find no workers in any of the seven factories who had knowledge of the EICC²³⁰ code which had been adopted by 36 companies as of January 2008. While Acer signed up as a member of the EICC shortly after publication of the report,²³¹ it is not clear whether the other four companies were already members at the time the report was released. The authors confirmed a relative improvement in payment of the legal minimum wage but that any other improvements were of an ad hoc nature rather than as a result of a change in management policy. According to SACOM's report the responses from the five brand companies varied widely in terms of their level of commitment to their CSR policies and transparency in their supply chains.²³²

Although some improvements had been made at a company level, such as increasing the number of staff in their CSR departments, they remained reluctant to make suppliers lists public, ensure independent and regular auditing, engage with NGOs and labour rights groups and provide training for employees. HP however had made far-reaching efforts to improve its CSR in its supply chain. With over 150 first tier suppliers and many more further down the supply chain, HP is a significant player in the Chinese electronics industry. The company set a precedent in the sector by agreeing to make public its suppliers list and had invested considerable resources in implementing its own code of conduct for which it provided training for managers of its supply firms. But

²²⁸ Id. Pp. 47-51.

²²⁹ Id. Pp. 1-2.

²³⁰ The EICC was founded in 2004.

²³¹ Fair Computer Campaign website, available at <http://www.fair-computer.ch/cms/index.php?id=537> (consulted on 24 May 2011).

²³² The responses from the companies to SACOM are not publicly available. For a summary of the responses, see SACOM, "High Tech-No Rights?", May 2008, pp. 46-52, available at <http://sacom.hk/wp-content/uploads/2008/07/report-high-tech-no-rights-may2008.pdf> (consulted 7 May 2011).

perhaps most significantly the company agreed to collaborate with SACOM and other NGOs to design and carry out training schemes which would improve worker-management communications on issues of labour rights. Inspired perhaps by HP, Fujitsu Siemens took the step of publishing its list of suppliers on its website shortly after publication of the report.²³³

In addition to company responses, SACOM also received responses from the EICC²³⁴ and GeSI²³⁵ in which they reaffirmed their commitments to fair and ethical business practices in the electronics industry but made no reference to specific allegations and made only general comments in regard to remedies.

6.8.2 NLC Report: "High Tech Misery"

In February 2009, NLC, a US-based NGO, published the findings of research they had carried out between June and September 2008 and in January 2009.²³⁶ The research centred on working conditions at the Mae Tay Factory²³⁷ in Shenzhen, a supplier to some of the brand names cited in the SACOM report of 2006,²³⁸ although it is unclear if or to what extent the two organisations collaborated. The report found that similar labour rights violations as those in the SACOM report of 2006 were still widespread and concluded that brand names' supply chain codes were not being effectively implemented. All five brand companies as well as the Mae Tay factory responded to the

²³³ Fair Computer website, available at <http://www.fair-computer.ch/cms/index.php?id=537> (consulted on 24 May 2011).

²³⁴ Id. Response from EICC, available at http://www.fair-computer.ch/cms/fileadmin/user_upload/computer-Kampagne/News/EICC_Full_document_2_.pdf (consulted on 24 May 2011).

²³⁵ Id. Response from GeSI, available at http://www.fair-computer.ch/cms/fileadmin/user_upload/computer-Kampagne/News/GeSi_Full_document.pdf (consulted on 24 May 2011).

²³⁶ NLC, "High Tech Misery in China; The Dehumanization of Young Workers Producing our Computer Keyboards", February 2009, available at <http://www.globallabourrights.org/reports?id=0006> (consulted on 20 April 2011).

²³⁷ Mae Tay is referred to as Meitai in the NLC report.

²³⁸ Companies cited in both the SACOM 2006 and NLC reports are Dell, HP, Lenovo, IBM and Microsoft.

B&HR RC.²³⁹ This report shows to what extent the language of commitment, partly contained in previous responses, translates into action and effectiveness in similar contexts elsewhere. Here it is possible to compare the responses of HP and Dell to the SACOM report and those to the NLC report. The allegations and context are almost identical. The responses outlined in the following section therefore reflect how companies respond to different critics on similar issues and give an idea of the coherence and coordination of their CSR policies.

6.8.3 Responses to the NLC Report

The B&HR RC invited all six companies named in the report to respond. The response from Mae Tay²⁴⁰ is timely, short and specifically refers to the allegations. It assures of investigations and promises to respect human rights and cooperate with an audit by the EICC. It does not in any way try to deny the allegations, but instead offers its full cooperation to investigate and states its commitment to comply with local laws and codes of conduct. The response is perhaps indicative of the pressure on suppliers and their fear of losing business to major clients. The response was sent by the Vice General Manager.

HP had been singled out for praise in SACOM's follow up report of 2008 for leading the way in transparency and concerted efforts to improve implementation of its code of conduct. The response from HP²⁴¹ relating to allegations of abuse at its supplier Mae Tay is consistent with the commitments it had previously made and explains in detail what steps the company has taken and will take to remedy the situation. The timeline of HP's response is notable. Given that the company had not been contacted by NLC prior to the report's publication in February 2009, the company responded to the B&HR RC upon request on 10 February 2009. By that time HP had already begun to investigate its relationship with the Mae Tay factory, a second-tier supplier, and had held a meeting

²³⁹ B&HR RC, responses from Dell, HP, Lenovo, IBM and Microsoft, available at <http://www.business-humanrights.org/Documents/NLCFeb2009> (consulted on 2 July 2011).

²⁴⁰ Ibid.

²⁴¹ Ibid.

with its first tier supplier, a subcontractor of Mae Tay, together with Mae Tay's management to restate the obligations of suppliers in HP's code of conduct. HP also contacted NLC and committed to taking further measures pending an independent audit by the EICC. The response reflects a coordinated policy of CSR which applies not only in single cases, but appears to have set applicable rules which can be implemented across the company's operations. Critics of course could point out, that the fact that HP had to be alerted to the abuses in the first place, is in itself an indication of the weaknesses in its code of conduct, and that had the code been implemented effectively, the abuses would have been prevented. Still, in order to make a fair judgement of HP's ethical conduct and level of commitment in this instance, it would be necessary to take into account the complex nature of their supply chains against the backdrop of weak domestic labour legislation.

In many respects the response from Dell²⁴² is similar to that of HP in so far as it is consistent with its previous response to the SACOM report of 2008. The response is detailed, refers specifically to the allegations and reiterates its commitments, listing its participation in numerous self-regulatory initiatives and respect for the UDHR. It states that investigations have been started and assures that corrective measures will be taken. The response further explains how it is working with Dell's suppliers to improve implementation of its code of conduct through training and sharing of best practices. It signals a strong willingness to engage both with the NLC and other stakeholders to ensure full implementation. It is sent by the Director of Sustainable Business.

Lenovo did not respond to allegations in the SACOM report of 2006. This time they responded promptly and clarified their supply relationship with Mae Tay as being a second tier supplier.²⁴³ Acknowledging that the indirect supply relationship does not alleviate them from their responsibilities, the company assured that corrective measures would be taken pending the results of an independent audit by the EICC. The response does not contain any language to suggest Lenovo would adopt any measures over and

²⁴² Ibid.

²⁴³ Ibid.

above their minimum obligations as participants of the EICC and does not signal a strong willingness to engage with the NLC. The response contains language of assurance: a responsible corporate citizen that makes every possible effort to comply with international standards. The response is sent by the Sustainability Programme Manager.

Microsoft's response²⁴⁴ consists of four sentences stating its commitments to worker safety and fair treatment; confirming its supply relationship with May Tae as second tier; giving assurance of its cooperation in investigations; making assurances that necessary improvements will be made. There is no indication of engagement with other stakeholders and no information regarding the company's CSR policies other than a link to their website on Corporate Citizenship.

The response from IBM exceeds that of Microsoft's only in brevity.²⁴⁵ The single sentence statement confirms it is a founding member of the EICC and that it is carrying out investigations, which, to my knowledge, are not publicly available.

6.8.4 Summary of responses

All of the brand companies have significant influence on supply chain management by virtue of their economic might and trading leverage in the Chinese electronics industry. Judging from these responses, it appears that only HP and Dell are sincerely interested in addressing the challenges companies face in doing business in complex supply chain systems. It would however require more detailed study of these companies' actions in other areas of CSR to assess the reliability of their public commitments and affirm this assumption. Both IBM and Microsoft are participants of the EICC and Microsoft is also a member of the UN Global Compact. The archive of responses of the B&HR RC provides some indication of Microsoft's approach to addressing public criticism. In total the Centre issued seven invitations to Microsoft, to which it replied to four. All except

²⁴⁴ Ibid.

²⁴⁵ Ibid.

one invitation related to human rights issues in China.²⁴⁶ It is worth taking a closer look at these responses. A request to respond to Microsoft's role as sponsor of the China Olympics²⁴⁷ elicited another four-sentence statement. However on the issue of Internet censorship the company issued on one occasion a press release clarifying its position. The response to Amnesty International's report²⁴⁸ on Internet censorship is more detailed and substantial in length but uses the opportunity to deflect any responsibility on the part of Microsoft to use its influence in its dealings with the Chinese government to press for greater Internet freedom. The responses from Microsoft show little if any willingness to engage with their critics and other stakeholders. They demonstrate a distanced CSR policy which reacts to public criticism rather than actively working to prevent it. This aside, and perhaps indicative of a retroactive method of dealing with human rights issues, Microsoft has become engaged in multi-stakeholder dialogues and initiatives such as the Global Network Initiative (GNI), a voluntary code of conduct which provides guidelines and principles for companies operating in the ICT sector. Again, a more precise documentation of commitments vis-à-vis actions would be required to accurately gauge a company's level of engagement in human rights.

6.9 Outcomes and Impact

Assessing impact is a notoriously difficult exercise given that the process of change is a dynamic one occurring over time and is not linear with a finite point of departure or end.²⁴⁹ Rather it is a process and not a singular event in which multiple factors combine which influence it. Determining causality therefore cannot be achieved by attributing change in a system or pattern of behaviour to one specific NGO intervention or one critical media report. Given that social change is multidimensional and non-linear, NGO

²⁴⁶ Greenpeace France, "Console de Jeu Video", May 2008, reported on the use of dangerous chemicals in the manufacture of their game consoles. Available at <http://blog.greenpeace.fr/toxiques/greenpeace-epingle-sony-microsoft-et-nintendo-dans-son-rapport-«-playing-dirty-»> (consulted on 19 May 2011).

²⁴⁷ B&HR RC, response from Microsoft, available at <http://www.reports-and-materials.org/Microsoft-Dream-for-Darfur-response-11-Dec-2007.doc> (consulted on 10 May 2011).

²⁴⁸ Amnesty International, "Fighting for Human Rights in Cyberspace", January 2006, available at <http://www.amnesty.org/en/library/info/POL30/006/2006/en> (consulted on 22 May 2011).

²⁴⁹ Kruse, 2005, pp. 119-126.

objectives are generally long term and broad based.²⁵⁰ The impact resulting from this case should therefore be evaluated in terms of the incremental steps that were taken and / or events which took place and logically contributed to an overall change. The long-term goal of the SACOM report is to end inhumane working conditions in the Chinese manufacturing industry by achieving short term goals towards that aim, such as through education to empower workers to recognise and claim their rights. The role of the B&HR RC can be seen as a supporting one, adding leverage to the case by publicising the report, tracking changes in corporate behaviour, making available company reactions on its website and intervening with requests for responses when companies refused to comment or NGOs and journalists lacked the capacity.

6.9.1 Positive Developments

This chapter has shown to what extent corporate responses indicate the validity of their assurances and whether employees benefited as a result of public pressure.

HP's programme in collaboration with SACOM and local labour rights organisations to raise awareness of its code of conduct and labour rights among the workforce of one of its suppliers, Delta Electronics, is the most prominent example of impact in this case. In August 2009, SACOM published an assessment report²⁵¹ of this collaboration confirming its effectiveness and drawing attention to areas which could be improved and expanded upon. The programme was implemented at one of Delta's seven factories providing training and information brochures on labour rights and the EICC code for 1,500 employees who were paid by Delta to attend. It was designed with input from all stakeholders, NGOs, management and workers, in order to address their specific needs and priorities. It was found to have a trickle down effect among the workforce, with employees spreading information on their rights among their co-workers. The programme was received positively both by HP and Delta as it allowed them to improve

²⁵⁰ Interview, Chris Avery, Director and Mauricio Lazala, Senior Researcher, B&HR RC, London, 11 March 2011.

²⁵¹ SACOM, "Towards a New Worker-Based CSR Model: A Pilot Labor Rights Training Program in China", August 2009, available at <http://sacom.hk/category/campaigns/sacom-hp-labor-rights-training> (consulted on 19 May 2011).

their auditing obligations through better monitoring both at the management and workplace levels. It also facilitated better worker management communications by establishing a workers' grievance mechanism. It should be noted however that the course was implemented only for those employees involved in production for HP. Whether Delta's management has integrated the trainings as part of its general management policy throughout all of its production facilities and whether HP has extended this programme to all of its suppliers remains unclear. In view of HP's leadership role in this case, Acer's decision to join the EICC and Fujitsu Siemens' new policy of transparency in its supply chain can be regarded as positive steps resulting possibly from a combination of peer pressure from within the industry and pressure from civil society.

6.9.2 Evaluating the Impact

Codes of conduct for ensuring respect and protection of human rights have been shown to be lacking in enforcement and suffer from uneven application as they arise solely from voluntary statements of commitment. Nonetheless they provide a useful entry point for human rights defenders to hold companies accountable to the claims they gladly make in public. From this point of view, encouragement to ascribe to a code of conduct is still a viable means to achieve a certain level of accountability, even if no enforcement mechanism is available.²⁵² It encourages more scrutiny of companies and can have a positive influence on peers and suppliers, if not in achieving immediate change, at the very least by raising awareness of human rights violations. Still, the EICC Annual Report of 2009 records only four new memberships since the previous year, bringing the total to 42 companies worldwide.²⁵³ Critics may also be quick to point out that in light of the publicity companies give to membership and participation in such initiatives, it begs the question if they benefit the companies more than those they are intended to protect. Others would claim that by actively regulating themselves,

²⁵² Kolk, and Van Tulder, 2002, p. 260.

²⁵³ EICC, 2009 Annual Report, 2010, p. 2, available at <http://www.eicc.info/documents/AnnualReport.pdf> (consulted on 23 June 2011).

companies are thus pre-empting any possible endeavours to impose binding regulation.²⁵⁴

Finally, although HP had taken the lead in the case of Delta, its relationships with a number of other suppliers continued to present contradictions to its commitments as documented by SACOM²⁵⁵ and the NLC²⁵⁶ between 2008 and 2009.

A follow-up report by SACOM published in December 2008²⁵⁷ confirmed that investigations undertaken in two production facilities of suppliers to Dell, Motorola, Lenovo, Apple and Fujitsu Siemens showed that workers were not benefiting from the new provisions of the China Labour Contract Law. Neither were they aware of the EICC of which Apple, Dell and Lenovo were members at the time the report was published.²⁵⁸ Indeed the EICC itself in its annual report of 2009²⁵⁹ reiterates that illegal overtime was still ongoing and widespread among suppliers. Given the continuing catalogue of reports of violations of labour rights in Chinese factories by various NGOs and journalists since 2009 and today, it is clear that change can be measured in only miniscule amounts. Considering that Foxconn alone employs almost one million employees, it gives an idea of the scale of human rights violations which are affecting millions of workers in China today. Add to that the media attention given to the spate of suicides at Foxconn in 2010²⁶⁰ and its supplier relationship with Apple,²⁶¹ it is

²⁵⁴ Conley and Williams, 2005, pp. 14-15.

²⁵⁵ SACOM, "High Tech-No Rights?", May 2008, available at <http://sacom.hk/archives/176> (consulted on 7 May 2011) and "The Dark Side of Cyberspace", December 2008, available at <http://sacom.hk/archives/449> (consulted on 19 May 2011).

²⁵⁶ NLC, "High Tech Misery in China", February 2009, available at <http://www.globallabourrights.org/reports?id=0006> (consulted on 20 April 2011).

²⁵⁷ SACOM, "The Dark Side of Cyberspace", December 2008, available at <http://sacom.hk/archives/449> (consulted on 19 May 2011).

²⁵⁸ EICC 2008 Annual Report lists Apple, Dell, and Lenovo as members, p. 9. Available at http://www.eicc.info/PDF/EICC%202008%20Annual%20Report_FINAL.pdf (consulted on 13 June 2011).

²⁵⁹ Id. 2009 Annual Report, 2010, p. 2, available at <http://www.eicc.info/documents/AnnualReport.pdf> (consulted on 23 June 2011).

²⁶⁰ SACOM, "Game Console and Music Player Production in China", p. 28, February 2011, available at <http://sacom.hk/archives/828> (consulted on 19 May 2011).

²⁶¹ A Google search of 'Apple Foxconn Abuses' returns approximately 1,4 million results (consulted on 1 July 2011).

somewhat discouraging that Apple's business does not appear to have been adversely impacted by the negative publicity with i-phones and i-pads having so far escaped consumer boycotts. Such outcomes suggest that consumers cannot necessarily be relied upon to join forces with civil society in defence of the rights of others. It also questions the notion of the business case for human rights, that doing good is good for profit and that damage to reputation and brand must be avoided at all costs. Doing bad also appears to be good for profit when your brand is strong enough to resist public outcry.

Although the authors of the SACOM report confirmed a positive influence by Western brand companies by imposing standards,²⁶² they were also able to identify possible reasons why suppliers continued to violate them. Client companies' excessive demands for flexibility, resulting in drastically fluctuating orders, reduced delivery times and lower price demands, place immense pressure on manufacturers.²⁶³ As a result they make themselves felt in the working lives of their employees in forced overtime and cost-cutting measures which impact wages, health and safety and employee insurance. From this perspective, there appears to be a contradiction in the approach to imposing codes of conduct on business partners which do not reflect the reality of business practice and which are thus almost impossible to abide by. Moreover, they may be counterproductive by encouraging a culture of deceit and falsification.²⁶⁴ Sanctions imposed on suppliers by client companies for non-compliance can also have disastrous results. After publication of the 2006 SACOM report Dell cancelled its orders with Yonghong Factory resulting in the loss of jobs.²⁶⁵

²⁶² SACOM, "High Tech-No Rights?", May 2008, p. 58 available at <http://sacom.hk/archives/176> (consulted on 7 May 2011).

²⁶³ SACOM, "The Dark Side of Cyberspace", December 2008, p. 28, available at <http://sacom.hk/wp-content/uploads/2009/01/cyberspace21.pdf> (consulted on 19 May 2011).

²⁶⁴ Ethical Trading Initiative, "Getting Smart at Auditing; Tackling the Growing Crisis in Ethical Trade Auditing, Report from ETI Members Meeting, 16 November 2006, pp. 6-8, available at <http://www.ethicaltrade.org/sites/default/files/resources/Get%20smarter%20at%20auditing%20ETI%20briefing%2006.pdf> (consulted on 23 June 2011).

²⁶⁵ SACOM, "Statement to Michael S. Dell, Chairman and CEO of Dell Inc.", 1 May 2007, available at <http://sacom.hk/archives/173> (consulted on 20 May 2011).

It is difficult to estimate the motivation for Delta and HP to embark on a comparatively ambitious and unusual project in the given context and to what extent their actions were galvanised by public pressure and fear of reputation damage. At the very least, it can be viewed as an attempt to fill the gaps in non-enforced existing legislation and inadequate codes of conduct, requiring considerable investment of time and money. From this angle it would therefore be logical to assume that had the Chinese authorities enforced the law with more vigour and the brand companies ensured more effective compliance of their codes of conduct, they would have been able to avoid the negative publicity which was possibly their strongest motivating force to redress the grievances. Instead they found themselves stepping into the role of educators and enforcers, albeit under limited conditions. Hence one could conclude that companies, in the long run, would benefit from a predictable and robust legal environment. There is however evidence to suggest that this is not necessarily the case and that corporations are often ambivalent when it comes to legal enforcement of customary labour standards.

In an effort to offset growing social unrest and a growing instability of the workforce²⁶⁶ the Chinese government, increasingly aware of abusive labour practices, has introduced a number of laws incorporating CSR measures, including the China Labour Contract Law of January 2008.²⁶⁷ In particular the new law set out to address labour contracts, insurance and the responsibilities of employment agencies. However rather than embrace the legal certainty the new legislation provided, Western corporations, with the support of both the European Union and the US Chambers of Commerce in China, actively lobbied against better protection for workers by threatening to withdraw contracts and move production elsewhere.²⁶⁸ Such a reaction can only lead to the assumption that legislation to protect workers' rights is only welcome when it does not

²⁶⁶ Lin, 2010, pp. 91-93.

²⁶⁷ Ministry of Commerce of the People's Republic of China website, available at http://www.fdi.gov.cn/pub/FDI_EN/Laws/GeneralLawsandRegulations/BasicLaws/P020070831601380007924.pdf (consulted on 13 May 2011).

²⁶⁸ The New York Times, "China Drafts Law to Empower Unions and End Labour Abuse", 13 October 2006, available at <http://query.nytimes.com/gst/fullpage.html?res=9C04E7DD1130F930A25753C1A9609C8B63&&scp=2&sq=david%20barboza%20and%20china%20drafts%20law&st=cse> (consulted on 5 April 2011).

place any constraints on a company's ability to maximise profits. Again, it took a concerted effort by international labour rights activists and NGOs to counteract opposition to the new legislation.²⁶⁹ Corporations' preference for business-friendly and labour-unfriendly environments is not only confined to developing countries. A report published by Human Rights Watch in 2010 documented European companies operating in the USA which took advantage of weaker US labour legislation to minimise union activity.²⁷⁰ Such action would have been unthinkable, even impossible in their home countries²⁷¹ where labour rights are more strictly protected by law.

²⁶⁹ Global Labor Strategies, "Undue Influence: Corporations Gain Ground in Battle over China's New Labour Law - but Human Rights and Labour Advocates are Pushing Back", March 2007, available at http://laborstrategies.blogs.com/global_labor_strategies/files/undue_influence_global_labor_strategies.pdf (consulted on 1 May 2011).

²⁷⁰ Human Rights Watch, "A Strange Case", September 2010, available at <http://www.hrw.org/en/reports/2010/09/02/strange-case-0> (consulted on 3 June 2011).

²⁷¹ The nationality of the companies cited in the report were German, French, British, Norwegian and Dutch.

CHAPTER 7

CONCLUSIONS

The rates and content of corporate responses analysed in this research reveal an incoherent perception of the business community's perceptions of their human rights obligations. Although almost three quarters of companies respond when requested, reflecting a certain level of their awareness of society's expectations, the research has shown that responses do not necessarily translate into action.

It may be unfair to suggest that companies are using CSR purely as a PR instrument, but the manner and frequency of their responses demonstrate that CSR policies and public commitments are far from embedded in management strategies. The fact that over a quarter of companies, even in the face of serious allegations, declined to respond to their critics is in itself symbolic of the voluntary nature of corporate ethical conduct.

While soft law and self-regulation are to be welcomed for their normative function, their effectiveness is seriously undermined by a lack of enforcement mechanisms. The data has shown that companies which ascribe to the UN Global Compact or codes of conduct are not exempt from accusations of ethical misconduct and do not demonstrate a higher response rate. Even companies with a positive track record in CSR can fall short of their commitments in another setting.

No matter how well intentioned a company may be, the case study highlights the challenges of ensuring respect for human rights in countries where weaker standards apply or are non-existent. In some respects it appears that the development of self-regulation and CSR has created a point of no return. In response to public pressure, companies have been pushed into publicly committing to ethical behaviour. By doing so, they have set themselves their own standards to which they can only partially adhere as long as they are not equally applicable to all. In an indirect fashion, this paradoxical situation suggests that companies themselves see the need for binding regulation.

A significant finding of this research is the fact that, despite theories to the contrary, threat to brand and reputation does not seem to be a major concern of a number of high profile corporations. Neither can consumers be relied upon to stand with victims of corporate abuse. This poses a number of challenges for those seeking to protect human rights in the business environment.

Maintaining pressure on corporations to improve their human rights record requires a constant effort to unearth the facts and confront those responsible with the evidence. The main challenge for the countless number of NGOs, particularly at the grassroots level, is finding the means to conduct solid research and accessing the channels of communication to those most responsible. Information technology provides unprecedented opportunity to raise awareness of human rights violations, but ensuring that the message reaches the desired audience in the business community is another matter.

The B&HR RC has created a forum which can further facilitate and deepen the dialogue between companies and their critics. By intervening as a neutral observer, in an almost mediatory role, the Centre has the capacity to reach the ears of decision makers, thus increasing the volume of critical voices. It appears that establishing an environment which is less confrontational increases the chances of achieving a reaction. Moreover, publication of responses (and non-responses) alongside those of their peers can strengthen the name and shame policy among the business community itself. By removing all barriers which may potentially provide excuses for not responding, companies will inevitably find it more difficult to ignore their critics.

Despite the many caveats which accompany the tentative conclusions drawn from this research, it nonetheless offers empirical evidence of corporate responses and responsiveness to allegations of human rights abuse which has hitherto escaped analysis. If accurate documentation of evidence is key to building stronger strategies to hold companies to account, these findings may provide useful information for those reporting on corporate abuse in future.

BIBLIOGRAPHY

BOOKS AND JOURNALS

- Bhattacharya, C.B. and Sen, Sankar, "Doing Better at Doing Good: When, Why and How Consumers Respond to Corporate Social Initiatives", pp. 9-24 in *California Management Review*, vol. 47, no. 1, fall 2004.
- Blowfield, Michael and Murray, Alan, "Corporate Responsibility". Oxford: Oxford University Press, 2011.
- Conley, John and Williams, Cynthia, "Engage, Embed and Embellish: Theory versus Practice in the Corporate Social Responsibility Movement", pp. 1-38, in *The Journal of Corporation Law*, vol. 31, issue 1, fall 2005.
- Edwards, Gemma, "Habermas and Social movements: What's 'New'?", pp. 113-130, in Nick Crossley and John Michael Roberts (eds.), *After Habermas: New Perspectives on the Public Sphere*. Oxford: Blackwell, 2004.
- Florini, Ann, "Business and Global Governance: The Growing Role of Corporate Codes of Conduct", pp. 4-8, in *The Brookings Review*, vol. 21, no. 2, spring 2003.
- Gao, Yongqiang, "Corporate Social Performance in China: Evidence from Large Companies", pp. 23-35, in *Journal of Business Ethics*, vol. 89, no. 1, September 2009.
- Jamali Dima and Neville, Ben, "Convergence Versus Divergence of CSR in Developing Countries: An Embedded Multi-Layered Institutional Lens", pp. 1-23 in *Journal of Business Ethics*, 17 March 2011, available at Online First, <http://dx.doi.org/10.1007/s10551-011-0830-0> (consulted on 30 June 2011).
- Kaldor, Mary, "Global Civil Society; An Answer to War". Cambridge: Polity Press, 2003.
- Keane, John, "Global Civil Society?". Cambridge: Cambridge University Press 2003.
- Kruse, Stein-Erik, "Meta-Evaluations of NGO Experience: Results and Challenges", pp. 109-127 in George Keith Pitman, Osvaldo N. Feinstein and Gregory K. Ingram (eds.), *Evaluating Development Effectiveness*. World Bank Series on Evaluation and Development, vol. 7, New Jersey: Transaction Publishers, 2005.
- Kolk, Ann and Van Tulder, Rob, "The Effectiveness of Self-Regulation: Corporate Codes of Conduct and Child Labour", pp. 260-271 in *European Management Journal*, vol. 20, no. 3, June 2002.
- Landman, Todd, "Social Science Methods and Human Rights", pp.19-44 in Fons Coomans, Fred Grünfeld and Menno Kamminga (eds.), *Methods of Human Rights Research*. Antwerp: Intersentia, 2009.
- Lin, Li-Wen, "Corporate Social Responsibility in China: Window Dressing or Structural Change?", pp. 64-100 in *Berkeley Journal of International Law*, vol. 28, 2010.
- Mares, Radu, "The Limits of Supply Chain Responsibility: A Critical Analysis of Corporate Responsibility Instruments", pp. 193-244 in *Nordic Journal of International Law*, vol. 79, no. 2, 2010.

- Martin, William, "Socially Responsible Investing: Is Your Fiduciary Duty at Risk?", pp. 549-560 in *Journal of Business Ethics*, vol. 90, no. 4, December 2009.
- Mayer, Don, "*Kasky v. Nike* and the Quarrelsome Question of Corporate Free Speech", pp. 65-96, in *Business Ethics Quarterly*, vol. 17, issue 1, 2007.
- McBarnet, D. and Kurchiyan, M., "Corporate Social Responsibility through Contractual Control? Global Supply Chains and 'Other-Regulation'", pp. 59-92 in Doreen McBarnet, Aurora Voiculescu and Tom Campbell (eds.), *The New Corporate Accountability*. Cambridge: Cambridge University Press, 2007.
- Meyer, Klaus E., "Perspectives on Multinational Enterprises in Emerging Economies" pp. 259-276 in *Journal of International Business Studies*, vol. 35, no. 4, July 2004.
- Newman, Janet, "Participative Governance and the Remaking of the Public Sphere", pp. 119-138 in Janet Newman (ed.), *Remaking Governance; Peoples, Politics and the Public Sphere*. Bristol: Policy Press, 2005.
- Raynolds, Laura.T, and Long, Michael.A., "Fair/Alternative Trade: Historical and Empirical Dimensions", pp. 15-32, in Laura T. Raynolds, Douglas L. Murray and John Wilkinson (eds), *Fair Trade; The Challenges of Transforming Globalization*. Oxon: Routledge 2007.
- Reuber, A. Rebecca and Fischer, Eileen, "Organizations Behaving Badly" pp. 39-50 in *Journal of Business Ethics*, vol. 93, no. 1, February 2010.
- Runnels, Michael B., "Dispute Resolution & New Governance: Role of the Corporate Apology", pp. 481-505, in *Seattle University Law Review*, vol. 34, no. 1, fall 2010.
- Runnels, Michael B., Kennedy, Elizabeth and Brown, Timothy, "Corporate Social Responsibility and the New Governance: In Search of Epstein's Good Company in the Employment Context", pp. 501-536 in *Akron Law Review*, vol. 43, issue 2, 2010.
- Seitanidi, M.M., and Crane, A., "Implementing CSR Through Partnerships", pp. 413-429, in *Journal of Business Ethics*, vol. 85, supplement 2, 2009.
- Settles, Alexander, Melitonyan, Olga, Gillies, James, "CSR in Russia", pp. 81-97, in Christine Mallin (ed.), *Corporate Social Responsibility: A Case Study Approach*. Cheltenham: Edward Elgar Publishing, 2009.
- Sims, Ronald, "Toward a Better Understanding of Organizational Efforts to Rebuild Reputation Following an Ethical Scandal", pp. 453-472 in *Journal of Business Ethics*, vol. 90, no. 4, 2009.
- Stohl, Cynthia, Stohl, Michael, Popova Lucy, "A New Generation of Corporate Codes of Ethics", pp. 607-622 in *Journal of Business Ethics*, vol. 90, no. 4, December 2009.
- Tsalikis, John & Seaton, Bruce, "Consumer Perceptions of Business Ethical Behaviour in Former Eastern Block Countries", pp. 919-928 in *Journal of Business Ethics*, vol. 82, no. 4, 2008.
- Vanhamme, Joelle and Grobbsen, Bas, "'Too Good to be True!'. The Effectiveness of CSR History in Countering Negative Publicity", pp. 273-283 in *Journal of Business Ethics*, vol. 85, supplement 2, 2009.

MEDIA AND INTERNET

- Asian Foodworker, "Pesticide Worker Dies and Two Shot and Killed", 1 October 2010, available at <http://asianfoodworker.net/?p=1253> (consulted on 18 May 2011).
- Al Jazeera, "UN Security Council Weighs Syria Resolution", 9 June 2011, available at <http://english.aljazeera.net/news/middleeast/2011/06/20116815955110282.html> (consulted on 22 June 2011).
- Al Jazeera, "China Investment in Myanmar Soars", 16 July 2009, available at <http://www.thehindubusinessline.com/todays-paper/tp-economy/article999765.ece?ref=archive> (consulted on 22 June 2011).
- BBC, "BRIC Nations become increasingly interdependent", 14 April 2011, available at <http://www.bbc.co.uk/news/business-13046521> (consulted on 18 June 2011).
- Chambers, Rachel, "The Unocal Settlement: Implications for the Developing Law on Corporate Complicity in Human Rights Abuses", pp.14-16 in *Human Rights Brief*, American University, Washington College of Law, vol. 13, issue 1, Fall 2005; available at <http://www.wcl.american.edu/hrbrief/13/unocal.pdf?rd=1> (consulted on 25 March 2011).
- CSR Asia, "India - CSR tax next?", 12 August 2010, available at <http://www.csr-asia.com/index.php?id=13576> (consulted on 28 May 2011).
- CSR Asia, "Power, Protests and the Police: The Shootings at Shanwei", in vol. 2, 10 May 2006, available at http://www.csr-asia.com/weekly_detail.php?id=6471 (consulted on 22 April 2011).
- CSR360 Global Partner Network, "A Picture of CSR in India", 4 June 2010, available at <http://www.csr360gpn.org/magazine/feature/a-picture-of-csr-in-india/> (consulted on 19 June 2011).
- Democracy Now, "Every 30 Minutes: Crushed by Debt and Neoliberal Reforms, Indian Farmers Commit Suicide at Staggering Rate", 11 May 2011, available at http://www.democracynow.org/2011/5/11/every_30_minutes_crushed_by_debt (consulted on 20 May 2011).
- EastSouthWestNorth, "The Shanwei (Dongzhou) Incident", available at http://www.zonaeuropa.com/20051209_1.htm (consulted on 1 April 2011).
- Ethical Corporation, "Champions in the Making", Country Briefing Brazil, July 2010, available at http://www.ethicalcorp.com/resources/pdfs/content/201075215445_Briefing-%20Brazil.pdf (consulted on 4 June 2011).
- Ethical Corporation, "Growing Pains", Country Briefing Brazil, July 2010, available at http://www.ethicalcorp.com/resources/pdfs/content/201075215445_Briefing-%20Brazil.pdf (consulted on 5 June 2011).
- Eye for Transport, "IFT tells Moeller-Mersk to Dump Violent Contractor", 19 November 2009, available at <http://www.eyefortransport.com/content/itf-tells-moeller-maersk-dump-violent-contractor> (consulted on 4 July 2011).
- Global Greengrants Fund, "Barra Grande: The Hydroelectric Dam that Ignored the Forest", 20 February 2006, available at

- <http://www.greengrants.org/2006/02/20/barra-grande-the-hydroelectric-dam-that-ignored-the-forest/> (consulted on 20 May 2011).
- Goldman Sachs, "Is This the BRIC's Decade?" BRICs Monthly, Issue no. 10/03, 20 May 2010, available at <http://www2.goldmansachs.com/ideas/brics/brics-decade.html> (consulted on 10 March 2011).
- Goldmann Sachs, "Building Better Global Economic BRICs", Global Economic Paper Nr. 66, 30 November 2001 available at: <http://www2.goldmansachs.com/ideas/brics/building-better-doc.pdf> (consulted on 30 June 2011).
- Goodland, Robert, "India: Orissa, Kashipur: Utkal Bauxite & Alumina Project: Human Rights and Environmental Impacts", 19 March 2007, available at <http://www.business-humanrights.org/Links/Repository/609459> (consulted on 1 July 2011).
- Guyana Forestry Blog, "Bai Shan Lin a Slave Camp", 16 August 2007, available at <http://guyanaforestryblog.blogspot.com/2007/08/bai-shan-lin-slave-camp-workers.html> (consulted on 1 July 2011).
- Kachinnews.com, "KDNG Urges China to Halt Dam Projects in Kachin State", 27 October 2009, available at <http://www.kachinnews.com/news/1183-kdng-urges-china-to-halt-dam-projects-in-kachin-state-.html> (consulted on 1 July 2011).
- Marques, Rafael, speech at the School of Oriental and African Studies, University of London, "Angola: The New Blood Diamonds" 28 November 2006, available at <http://www.reports-and-materials.org/Marques-speech-Angola-The-New-Blood-Diamonds-28-Nov-2006.doc> (consulted on 1 July 2011).
- McKinsey Quarterly, "When Social Issues Become Strategic", May 2006, available at https://www.mckinseyquarterly.com/When_social_issues_become_strategic_1763 (consulted on 10 May 2011).
- MeatInfo, "JBS Commits to Amazon Deforestation Moratorium", 29 September 2009, available at http://www.meatinfo.co.uk/news/printpage.php/aid/9489/JBS_commits_to_Amazon_deforestation_moratorium.html (consulted on 13 April 2011).
- Mondiaal Nieuws, "Sustainable on Paper: The Eucalyptus Plantations of Bahia, Brazil", 8 September 2010, available at <http://www.mo.be/node/150516> (consulted on 1 July 2010).
- One World South Asia, "India - More NGOs than Schools and Health Centres", 7 July 2010, available at <http://southasia.oneworld.net/todaysheadlines/india-more-ngos-than-schools-and-health-centres> (consulted on 5 May 2011).
- ReputationXchange, "Reputation Stumble Rate Still High", 29 April 2011, available at <http://reputationxchange.com/2011/04/29/reputation-stumble-rate-still-high/> (consulted on 15 May 2011).
- Sundar, Nandini, "Democratic Change in Asia", p. 41-56, in Heidi Moksnes & Mia Melin (eds.), *Power to the People?: (Con-)tested Civil Society in Search of Democracy*. Uppsala: Uppsala Centre for Sustainable Development, 2010. <http://www.csuppsala.uu.se/devnet/CivilSociety/Power%20to%20the%20People.pdf> (consulted on 19 April 2011).
- Starbroek News, "The Bauxite Company of Guyana Inc's Treatment of Bauxite Workers does not Reflect Rusal's Commitment to the Global Compact", 1

- December 2010, available at <http://www.stabroeknews.com/2010/opinion/letters/12/01/the-bauxite-company-of-guyana-inc's-treatment-of-bauxite-workers-does-not-reflect-rusal's-commitment-to-the-un-global-compact/> (consulted on 20 May 2011).
- Tehelka, "Mines vs People; Sleeping with the Enemy", 30 July 2005, available at http://www.tehelka.com/story_main13.asp?filename=Cr073005Sleeping_with.asp (consulted on 1 July 2011).
- Terradaily, "Three Killed in Sudan Protest over Nile Dam", 23 April 2006, available at <http://www.terraily.com/2006/060423102947.sxn7mwoj.html> (consulted on 1 July 2011).
- The Daily Mail, "Kate's Dazzling Dress is made in Rumanian 'sweatshop' by Women on just 99p per Hour", 28 May 2011, available at <http://www.dailymail.co.uk/news/article-1391673/Kates-dazzling-dress-Romanian-sweatshop-women-just-99p-hour.html> (consulted on 30 May 2011).
- The Economist, "BRICs in Search of a Foundation", 16 April 2011, available at http://www.economist.com/blogs/banyan/2011/04/emerging_economic_powers (consulted on 30 April 2011).
- The Financial Times Magazine, "The Story of the BRICs", 15 January 2010, available at <http://www.ft.com/cms/s/2/112ca932-00ab-11df-ae8d-00144feabdc0.html#axzz1Adlw4gQv> (consulted on 14 April 2011).
- The Guardian, "Fashion Favourites Named in Sweatshop Lawsuit", 15 January 1999, available at <http://www.guardian.co.uk/world/1999/jan/15/michaelellison?INTCMP=SRCH> (consulted on 10 June 2011).
- The Hindu, "Centre Halts HPV Vaccine Project", 8 April 2010, available at <http://www.hindu.com/2010/04/08/stories/2010040857390100.htm> (consulted on 30 June 2011).
- The Hindu Business Line, "Myanmar Invites Indian Investments", 28 July 2010, available at <http://www.thehindubusinessline.com/todays-paper/tp-economy/article999765.ece?ref=archive> (consulted on 19 June 2011).
- The New York Times, "China Drafts Law to Empower Unions and End Labour Abuse", 13 October 2006, available at <http://query.nytimes.com/gst/fullpage.html?res=9C04E7DD1130F930A25753C1A9609C8B63&&scp=2&sq=david%20barboza%20and%20china%20drafts%20law&st=cse> (consulted on 5 April 2011).
- The St. Petersburg Times, "Okhta Conflict", 27 October 2009, available at http://www.sptimes.ru/index.php?action_id=2&story_id=30139 (consulted on 4 July 2011).
- The Sunday Times, "Barclays Bankrolls Mugabe's Brutal Regime", Sunday Times, 11 November 2007, available at <http://www.timesonline.co.uk/tol/news/uk/article2848046.ece> (consulted on 3 July 2011).
- The Telegraph India, "Meet the Sweatshop Boys", 25 November 2006, available at http://www.telegraphindia.com/1061125/asp/calcutta/story_7042022.asp (consulted on 1 July 2011).

NGO REPORTS

- Amnesty International, "Fighting for Human Rights in Cyberspace", January 2006, available at <http://www.amnesty.org/en/library/info/POL30/006/2006/en> (consulted on 22 May 2011).
- China Labour Watch, "PUMA's Failure in CSR; Supplier's Critical Conditions", June 2008, available at <http://www.chinalaborwatch.org/pro/proshow-124.html> (consulted on 5 April 2011).
- Global Labor Strategies, "Undue Influence: Corporations Gain Ground in Battle over China's New Labour Law - but Human Rights and Labour Advocates are Pushing Back", March 2007, available at http://laborstrategies.blogs.com/global_labor_strategies/files/undue_influence_global_labor_strategies.pdf (consulted on 1 May 2011).
- Greenpeace, "Slaughtering the Amazon", June 2009 available at <http://www.greenpeace.org/international/en/publications/reports/slaughtering-the-amazon/> (consulted on 12 April 2011).
- Greenpeace France, "Console de Jeu Video", May 2008, available at <http://blog.greenpeace.fr/toxiques/greenpeace-epingle-sony-microsoft-et-nintendo-dans-son-rapport-«-playing-dirty-»> (consulted on 19 May 2011).
- Human Rights Watch, "A Strange Case", September 2010, available at <http://www.hrw.org/en/reports/2010/09/02/strange-case-0> (consulted on 3 June 2011).
- Human Rights Watch, Annual Report 2011, available at <http://www.hrw.org/en/world-report-2011> (consulted on 18 May 2011).
- India Committee of the Netherlands, "Child Bondage Continues in Indian Supply Chain", September 2007, available at <http://www.indianet.nl/childbondagecotton.html> (consulted on 15 April 2011).
- Indian People's Tribunal, "Kashipur: An Enquiry into Mining and Human Rights Violations in Kashipur, Orissa", 20 October 2006, available at <http://www.iptindia.org/2006/10/kashipur-an-enquiry-into-mining-and-human-rights-violations-in-kashipur-orissa/> (consulted on 1 July 2011).
- Institute for Human Rights and Business, "Results of Global Survey on Corporate Human Rights Preparedness", June 2011, available at http://www.echoresearch.com/data/File/IHRB/IHRB_Full_Research_Results.pdf (consulted on 14 June 2011).
- Institute for Human Rights and Business, "From Red to Green Flags", 2 May 2011, available at http://www.ihrb.org/news/2011/from_red_to_green_flags.html (consulted on 3 July 2011).
- International Labour Rights Forum, "Working for Scrooge: Worst Companies of 2010 for the Right to Associate", December 2010, pp. 6-7, available at <http://www.laborrights.org/sites/default/files/publications-and-resources/WorkingForScrooge2010.pdf> (consulted on 23 April 2011).
- Mines, minerals & People, "Our Mining Children", April 2005, available at <http://ideas.repec.org/p/ess/wpaper/id962.html> (consulted on 1 July 2011).
- National Labor Committee, "High Tech Misery in China; The Dehumanization of Young Workers Producing our Computer Keyboards", February 2009, available

- at <http://www.globallabourrights.org/reports?id=0006> (consulted on 20 April 2011).
- OHCHR, press release, "New Guiding Principles on Business and Human Rights Endorsed by the UN Human Rights Council", 16 June 2011, available at <http://www.business-humanrights.org/media/documents/ruggie/ruggie-guiding-principles-endorsed-16-jun-2011.pdf> (consulted on 4 July 2011).
- Oxfam, "Investing for Life: Meeting Poor People's Needs for Access to Medicines Through Responsible Business Practices", November 2007, available at <http://www.oxfam.org/sites/www.oxfam.org/files/bp109-investing-for-life-0711.pdf> (consulted on 23 April 2011).
- Relief Web, "UN Expert Urges Sudan to Respect Human Rights of Communities Affected by Hydro Electric Dam Projects, 27 August, 2007, available at <http://reliefweb.int/node/241370> (consulted on 1 July 2011).
- SACOM, "Clean up your Computer Campaign; Yonghong Electronics", February 2007, available at http://sacom.hk/wp-content/uploads/2008/09/yonghongelectronicsreport_eng.pdf (consulted on 1 July 2011).
- SACOM, "Hivac Startech Film Window", Investigative Report on Labour Conditions, August 2006, available at <http://sacom.hk/wp-content/uploads/2008/07/english-report-aug2006-hivac-startech.pdf> (consulted on 7 May 2011).
- SACOM, "High Tech - No Rights?", One Year Follow Up Report on Working Conditions in China's Electronics Hardware Sector, May 2008, available at <http://sacom.hk/wp-content/uploads/2008/07/report-high-tech-no-rights-may2008.pdf> (consulted on 7 May 2011).
- SACOM, "Towards a New Worker-Based CSR Model: A Pilot Labor Rights Training Program in China", August 2009, available at <http://sacom.hk/category/campaigns/sacom-hp-labor-rights-training> (consulted on 19 May 2011).
- SACOM, "Game Console and Music Player Production in China", February 2011, available at <http://makeitfair.org/the-facts/reports/game-console-and-music-player-production-in-china> (consulted on 19 May 2011).
- SACOM, "The Dark Side of Cyberspace", December 2008, available at <http://sacom.hk/archives/449> (consulted on 19 May 2011).
- SACOM, "Make it Fair Campaign", available at <http://sacom.hk/category/campaigns/makeitfair> (consulted on 1 July 2011).
- SACOM, "Statement to Michael S. Dell, Chairman and CEO of Dell Inc.", 1 May 2007, available at <http://sacom.hk/archives/173> (consulted on 20 May 2011).
- Terra de Direitos, "Alcoa e Votorantim serão Denunciadas à OCDE por Organizações da Sociedade Civil", 3 June 2005, available at <http://terradedireitos.org.br/biblioteca/noticias/alcoa-e-votorantim-serao-denunciadas-a-ocde-por-organizacoes-da-sociedade-civil/> (consulted on 1 July 2011).
- Transparency International, "Corruption Perceptions Index 2010 Results", available at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/results (consulted on 15 May 2011).

World Rainforest Movement, "Brazil: Historic Federal Court Decision Sentences Veracel Celulose for Environmental Violations, WRM Bulletin, no. 132, July 2008, available at http://www.wrm.org.uy/bulletin/132/Brazil_2.html (consulted on 20 May 2011).

WEBSITES

Avaaz, available at <http://www.avaaz.org/en/index.php> (consulted on 2 June 2011).

Bhopal Information Centre, available at <http://www.bhopal.com/> (consulted on 28 May 2011).

Business & Human Rights Resource Centre, mission statement, available at <http://www.business-humanrights.org/Aboutus/Briefdescription> (consulted on 4 July 2011).

Business & Human Rights Resource Centre, all company responses, available at <http://www.business-humanrights.org/Documents/Update-Charts> (consulted on 25 June 2011).

Business Leaders Initiative on Human Rights, available at <http://www.blihr.org/> (consulted on 15 April 2011).

Brot für die Welt, available at <http://www.fair-computer.ch/cms/index.php?id=537> (consulted on 25 May 2011).

China Power Investment Corporation CSR website, available at <http://eng.cpicorp.com.cn/SocialResponsibility/ProductionSafety/> (consulted on 31 March 2011).

CorpWatch, available at <http://www.corpwatch.org/index.php> (consulted on 14 March 2011).

CSR Weltweit, Russia, available at <http://www.csr-weltweit.de/en/laenderprofile/profil/russische-foederation/index.nc.html> (consulted on 25 May 2011).

Dell CSR website available at <http://content.dell.com/us/en/corp/cr.aspx?c=us&l=en&s=corp> (consulted on 12 April 2011).

Electronics Industry Code of Conduct, 2008 Annual Report, available at http://www.eicc.info/PDF/EICC%202008%20Annual%20Report_FINAL.pdf (consulted on 13 June 2011).

Electronics Industry Code of Conduct, 2009 Annual Report, 2010, available at <http://www.eicc.info/documents/AnnualReport.pdf> (consulted on 23 June 2011).

Electronics Industry Code of Conduct, Version 3, 2009, available at <http://www.eicc.info/EICC%20CODE.htm> (consulted on 10 April 2011).

Ethical Consumer, available at <http://www.ethicalconsumer.org/Boycotts/currentboycottlist.aspx> (consulted on 10 June 2011).

Ethical Trading Initiative, "Getting Smart at Auditing; Tackling the Growing Crisis in Ethical Trade Auditing, Report from ETI Members' Meeting, 16 November 2006, available at <http://www.ethicaltrade.org/sites/default/files/resources/Get%20smarter%20at%20auditing%20ETI%20briefing%2006.pdf> (consulted 23 June 2011).

European Centre for Constitutional and Human Rights, "German Engineering, Regardless of the Consequence?", 3 May 2010, available at <http://www.ecchr.eu/lahmeyer-case.html> (consulted on 15 May 2011).

Extractive Industries Transparency Initiative, available at <http://eiti.org/> (consulted on 25 March 2011).

Fair Computer Campaign, available at <http://www.fair-computer.ch/cms/index.php?id=537> (consulted on 24 May 2011).

Gazprom CSR website, available at <http://www.gazprom.com/social/> (consulted on 1 July 2011).

GeoProMining CSR website, available at <http://www.geopromining.com/social.html> (consulted on 1 July 2011).

Global e-Sustainability Initiative, available at <http://www.gesi.org/> (consulted on 4 July 2011).

Hewlett Packard CSR website, available at <http://www.hp.com/hpinfo/globalcitizenship/> (consulted on 10 April 2011).

Institute for Global Labor Rights, available at <http://www.globallabourrights.org/about> (consulted on 30 June 2011).

International Labour Organisation, China Labour Act, 1994, available at <http://www.ilo.org/dyn/natlex/docs/WEBTEXT/37357/64926/E94CHN01.htm> (consulted on 7 April 2011).

International Labour Organisation, China Ratification Status of up-to-date Conventions, available at <http://www.ilo.org/ilolex/cgi-lex/ratifgroupe.pl?class=g03&country=China> (consulted on 1 July 2011).

International Labour Organisation, Fundamental Principles available at <http://www.ilo.org/declaration/lang--en/index.htm> (consulted on 11 May 2011).

International Organisation for Standardisation, available at <http://www.iso.org/iso/home.html> (consulted on 4 July 2011).

Kimberley Process, available at http://www.kimberleyprocess.com/home/index_en.html (consulted on 18 March 2011).

Lenovo CSR website, available at http://www.lenovo.com/social_responsibility/us/en/ (consulted on 10 April 2011).

Lenovo UK website, available at http://www.lenovo.com/lenovo/uk/en/our_company.html (consulted on 1 July 2011).

Lenovo US website, available at http://www.lenovo.com/social_responsibility/us/en/global_supply_chain.html (consulted on 10 May 2011).

Maplecroft, Human Rights Risk Index 2010, available at <http://human-rights.unglobalcompact.org/#> (consulted on 15 May 2011).

Motorola CSR website, available at <http://responsibility.motorola.com/> (consulted on 10 April 2011).

Ministry of Commerce of the People's Republic of China, available at http://www.fdi.gov.cn/pub/FDI_EN/Laws/GeneralLawsandRegulations/BasicLaws/P020070831601380007924.pdf (consulted on 13 May 2011).

Norlisk CSR website, available at
http://www.nornik.ru/en/development/development_strategy/social_mission/
 (consulted on 1 July 2011).

OHSAS 18001 Health and Safety Standard, available at <http://www.ohsas-18001-occupational-health-and-safety.com/> (consulted on 4 July 2011).

OECD, Guidelines for Multinational Enterprises, 2008, available at
<http://www.oecd.org/dataoecd/56/36/1922428.pdf> (consulted on 10 April 2011).

OECD, "Employment Outlook 2007", June 2007, available at
<http://www.oecd.org/dataoecd/28/32/38798341.pdf> (consulted on 10 April 2011).

OHCHR, Convention on the Rights of the Child, available at
<http://www2.ohchr.org/english/law/crc.htm>. (consulted on 7 April 2011).

Rusal CSR website, available at <http://rusal.ru/en/development.aspx> (consulted on 1 July 2011).

SACOM, "Statement to Michael S. Dell, Chairman and CEO of Dell Inc.", 1 May 2007, available at <http://sacom.hk/archives/173> (consulted on 20 May 2011).

Samsung CSR website available at
<http://www.samsung.com/au/aboutsamsung/citizenship/index.html>
 (consulted on 10 April 2011).

Social Accountability International, available at <http://www.sa-intl.org/> (consulted on 4 July 2011).

The World Bank, World Bank Data: Total Population, available at
<http://data.worldbank.org/indicator/SP.POP.TOTL> (consulted on 19 April 2011).

UN, Report of the Special Representative of the Secretary General, John Ruggie, Guiding Principles on Business and Human Rights, UN index: A/HRC/17/31, 21 March 2011, available at
<http://www.businesshumanrights.org/media/documents/ruggie/ruggie-guiding-principles-21-mar-2011.pdf> (consulted on 26 April 2011).

UN, Department of Economic and Social Affairs, NGO Branch, available at
<http://csonet.org/> (consulted on 27 April 2011).

UN Global Compact, available at <http://www.unglobalcompact.org/> (consulted on 16 June 2011).

UN Global Compact, Participants, available at available at
<http://www.unglobalcompact.org/participants/search> (consulted on 25 June 2011).

UNHCHR, Treaty Database, ratifications by China, available at
<http://www.unhchr.ch/tbs/doc.nsf/Statusfrset?OpenFrameSet> (consulted on 28 May 2011).

UN Treaties Collection, available at
http://treaties.un.org/Pages/ViewDetails.aspx?src=TREATY&mtdsg_no=IV-3&chapter=4&lang=en (consulted on 15 May 2011).

INTERVIEWS

Chris Avery, Director, and Mauricio Lazala, Senior Researcher, Business & Human Rights Resource Centre, London, 11 March 2011.

Dr. Leila Choukroune, Director of the Advanced Masters in International and European Economic Law, Maastricht University, Maastricht, 15 June 2011.

ANNEX 1.

List of all company responses.

Source: Business & Human Right Resource Centre, 12 January 2011.

Company	Company HQ	Location of Allegations	Response	Sector
ABB	Sweden	China	No	EEC
ABB	Sweden	Sudan	Yes	EEC
ABB	Sweden	Sudan	Yes	EEC
ABB	Sweden	Sudan	Yes	EEC
Abbott Laboratories	USA	Global	Yes	Pharmaceutical
Abbott Laboratories	USA	Global	Yes	Pharmaceutical
Abbott Laboratories	USA	Global	Yes	Pharmaceutical
Abbott Laboratories	USA	Global	No	Pharmaceutical
Abbott Laboratories	USA	Global	Yes	Pharmaceutical
ACE	Bermuda	Burma	Yes	Finance/Insurance
Adidas	Germany	China	Yes	Apparel/Textile
Adidas	Germany	China	Yes	Apparel/Textile
Adidas	Germany	El Salvador	Yes	Apparel/Textile
Adidas	Germany	Sudan	Yes	Apparel/Textile
Adidas	Germany	Thailand	Yes	Apparel/Textile
ADM	USA	USA	Yes	AFBTF
ADM	USA	USA	Yes	AFBTF
Aegis	UK	Global	Yes	Security/Defence
Aegon	Netherlands	Global	Yes	Finance/Insurance
AES	USA	Panama	Yes	EEC
AES	USA	Panama	No	EEC
Afrimex	UK	DRC	No	Other
Aguas Claras	Chile	Chile	Yes	AFBTF
Ahava	Israel	Israel/West Bank	No	Other
Ahold	Netherlands	Global	Yes	AFBTF
AkzoNobel	Netherlands	Global	Yes	Chemical/Waste Management
Al Wasl	UAE	Burma	Yes	Finance/Insurance
Alcan	Canada	India	Yes	Extractive
Alcan	Canada	India	Yes	Extractive
Alcan	Canada	India	Yes	Extractive
Alcoa	USA	Brazil	Yes	Extractive
Alcoa	USA	Suriname	Yes	Extractive
Alcoa	USA	USA	Yes	Extractive
Aldi	Germany	Asia	Yes	Retail
Ali Baba Foods	South Africa	South Africa	Yes	AFBTF
Alianza Fashion	Guatemala	Guatemala	Yes	Apparel/Textile
Almedahls	Sweden	India, Pakistan	No	Apparel/Textile

Alstom	France	Sudan	No	EEC
Alstom	France	Sudan	No	EEC
Alstom	France	Sudan	Yes	EEC
Aluminij	Bosnia & Herzegovina	Bosnia & Herzegovina	Yes	Extractive
Aluminij	Bosnia & Herzegovina	Bosnia & Herzegovina	No	Steel/Aluminium
Amalgamated Plantations Private Ltd - APPL	India	India	Yes	AFBTF
Amazon	USA	Global	Yes	Retail
AMCOR	Philippines	Philippines	No	Other
Anchor	USA	Cambodia	Yes	AFBTF
Anglo American	UK	Global	Yes	Extractive
Anglo American	UK	Global	Yes	Extractive
Anglo American	UK	Global	Yes	Extractive
Anglo Platinum	South Africa	South Africa	Yes	Extractive
Anglo Platinum	South Africa	South Africa	Yes	Extractive
Anglo Platinum	South Africa	South Africa	Yes	Extractive
AngloGold Ashanti	South Africa	Africa	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Ghana	Yes	Extractive
AngloGold Ashanti	South Africa	Global	Yes	Extractive
AngloGold Ashanti	South Africa	Tanzania	Yes	Extractive
AngloGold Ashanti	South Africa	Tanzania	Yes	Extractive
Anheuser-Busch	USA	Cambodia	No	AFBTF
Anheuser-Busch	USA	Sudan	Yes	AFBTF
Ankur	India	India	No	EEC
Anvil Mining	Australia	DRC	Yes	Extractive
ANZ	Australia	Philippines	Yes	Finance/Insurance
Apple	USA	China	Yes	ICT
Apple	USA	China	Yes	ICT
Apple	USA	Global	Yes	ICT
AquaChile	Chile	Chile	Yes	AFBTF
Arab Insurance Group (ARIG)	Bahrain	Burma	Yes	Finance/Insurance
ArcelorMittal	Luxembourg	Bosnia & Herzegovina, Czech Republic, India, Kazakhstan, Liberia, Romania, South Africa	Yes	Steel/Aluminium
ArcelorMittal	Luxembourg	Global	Yes	Steel/Aluminium
ArcelorMittal	Luxembourg	Ukraine &	Yes	Steel/Aluminium

		Kazakhstan		
ArcelorMittal	Luxembourg	USA	Yes	Steel/Aluminium
Areva	France	India	Yes	Extractive
Areva	France	Niger	Yes	Extractive
Argos	UK	Global	Yes	Retail
Armenian Titanium Production	Armenia	Armenia	No	Extractive
Armenian-Russian Mining Company	Armenia	Armenia	Yes	Extractive
Ascendant Copper	Canada/USA	Ecuador	Yes	Extractive
Ascendant Copper	Canada/USA	Ecuador	Yes	Extractive
Asda	UK	Bangladesh, Costa Rica, India	No	Retail
Asia Pacific Resources	Canada	Thailand	Yes	Extractive
Asia World Company	Burma	Burma	Yes	EEC
AstraZeneca	UK	Global	Yes	Pharmaceutical
AstraZeneca	UK	Global	Yes	Pharmaceutical
AT&T	USA	China	No	ICT
Atateks	Turkey	Jordan	Yes	Apparel/Textile
Atos Origin	France	Sudan	Yes	ICT
Atrium Underwriting	UK	Burma	No	Finance/Insurance
Avgi Morris Carpenters	Israel	Israel / Occupied Territories	No	Other
AXA	France	Global	Yes	Finance/Insurance
BAE Systems	UK	USA / Armenia	No	Security/Defence
BAESA	Brazil	Brazil	Yes	EEC
Bahria Town	Pakistan	Pakistan	Yes	Other
Baishanlin	China	Guyana	Yes	Natural Resources/Timber
Balfour Beatty	UK	UK	Yes	EEC
Banco Espirito Santo	Portugal	Angola	No	Finance/Insurance
Bangladesh Ship Breakers Association	Bangladesh	Bangladesh	No	Other
Banorte	Mexico	Mexico	No	Finance/Insurance
Barclays	UK	Indonesia	Yes	Finance/Insurance
Barclays	UK	Zimbabwe	Yes	Finance/Insurance
Barclays	UK	Zimbabwe	Yes	Finance/Insurance
Barrick Gold	Canada	Tanzania	Yes	Extractive
Barrick Gold	Canada	Tanzania	Yes	Extractive
Barrick Gold	Canada	Papua New Guinea	Yes	Extractive
Barrick Gold	Canada	Papua New Guinea	Yes	Extractive
Barrick Gold	Canada	Tanzania	Yes	Extractive
Bayer	Germany	India	Yes	Chemical/Waste Management
Bayer	Germany	India	Yes	Chemical/Waste Management
Bayer	Germany	India	Yes	Chemical/Waste Management

Bayer	Germany	USA	Yes	Chemical/Waste Management
BEIL (Bharuch Enviro Infrastructure Ltd)	India	India	Yes	Chemical/Waste Management
Best Western	UK	South Africa	Yes	Tourism
Bestec	China	China	Yes	ICT
Bharti Airtel	India	India	No	ICT
BHP Billiton	Australia	Botswana	Yes	Extractive
BHP Billiton	Australia	Peru	Yes	Extractive
BHP Billiton	Australia	Global	Yes	Extractive
BHP Billiton	Australia	Global	Yes	Extractive
BHP Billiton	Australia	Global	Yes	Extractive
BHP Billiton	Australia	Philippines	Yes	Extractive
BHP Billiton	Australia	Philippines	Yes	Extractive
BHP Billiton	Australia	Philippines	No	Extractive
BHP Billiton	Australia	Sudan	No	Extractive
BHP Billiton	Australia	Suriname	Yes	Extractive
Blackfire	Canada	Mexico	Yes	Extractive
Calyon	France	Angola	Yes	Finance/Insurance
Carlsberg	Denmark	Cambodia	Yes	AFBTF
Carlsberg	Denmark	China	Yes	AFBTF
Carrefour	France	Bangladesh	Yes	Retail
Carrefour	France	Bangladesh	Yes	Retail
Carrefour	France	China	No	Retail
Carrefour	France	Asia	Yes	Retail
Carrefour	France	Turkey	Yes	Retail
Caterpillar	USA	Israel / Occupied Territories	Yes	EEC
Catlin	Bermuda	Burma	No	Finance/Insurance
Centerra Gold	Canada	Global	Yes	Extractive
Cermaq	Norway	Chile	Yes	AFBTF
Corrección Coal	Colombia	Colombia	Yes	Extractive
Charming Shoppes	USA	Guatemala	Yes	Retail
Charming Shoppes	USA	Guatemala	Yes	Retail
Chevron	USA	Ecuador	Yes	Extractive
Chevron	USA	Chad / Cameroon	Yes	Extractive
Chevron	USA	DRC	Yes	Extractive
Chevron	USA	Ecuador	Yes	Extractive
Chevron	USA	Ecuador	Yes	Extractive
Chevron	USA	Global	Yes	Extractive
Chevron	USA	USA / Armenia	No	Extractive
Chevron	USA	Burma	Yes	Extractive
Chevron	USA	Burma	Yes	Extractive
Chevron	USA	Angola	Yes	Extractive

Chevron	USA	Burma	No	Extractive
Chi Fung	El Salvador	El Salvador	Yes	Apparel/Textile
China Power Investment	China	Burma	No	EEC
China Power Investment	China	Burma	No	EEC
China Power Investment	China	Burma	No	EEC
China Road & Bridge (CRBC)	China	Rep. of Congo	Yes	EEC
Chiquita	USA	Colombia	Yes	AFBTF
Chiquita	USA	Guatemala	Yes	AFBTF
Cicam	Cameroon	Cameroon	No	Apparel/Textile
Cimpor	Portugal	Mozambique	No	Other
Cintas	USA	Global	Yes	Apparel/Textile
Clarks	UK	China	Yes	Apparel/Textile
CMT-Windfield	France	Bangladesh	No	Apparel/Textile
Coal India	India	India	Yes	Extractive
Coca-Cola	USA	India	Yes	AFBTF
Coca-Cola	USA	India, Colombia, USA	Yes	AFBTF
Coca-Cola	USA	Sudan	Yes	AFBTF
Coca-Cola	USA	Colombia	Yes	AFBTF
Coca-Cola	USA	China	Yes	AFBTF
Coca-Cola FEMSA	Mexico	Mexico	Yes	AFBTF
Coca-Cola FEMSA	Mexico	Mexico	Yes	AFBTF
Commerzbank	Germany	Angola	No	Finance/Insurance
ConocoPhillips	USA	USA	No	Extractive
ConocoPhillips	USA	USA	No	Extractive
ConocoPhillips	USA	Peru	Yes	Extractive
Continental Minerals	Canada	Tibet	Yes	Extractive
Coop	Sweden	China	Yes	Retail
Corus	UK	UK	No	Steel/Aluminium
Costain	UK	UK	No	EEC
Cotton Group	Belgium	Bangladesh	Yes	Apparel/Textile
Crédit Agricole	France	Global	Yes	Finance/Insurance
Credit Suisse	Switzerland	Indonesia	Yes	Finance/Insurance
Credit Suisse	Switzerland	Global	Yes	Finance/Insurance
Crescent Security	Kuwait	Global	Yes	Security/Defence
Crew Gold	UK	Philippines	Yes	Extractive
Cummins	USA	USA	Yes	EEC
Custer Battles	USA	Global	No	Security/Defence
CWE (China International Water & Electric)	China	Sudan	Yes	EEC
Daewoo International	South Korea	Burma	No	Automobile
De Beers	South Africa	Botswana	Yes	Extractive
De Beers	South Africa	Botswana	Yes	Extractive

Dechert	USA	UK	No	Other
Defence Housing Authority	Pakistan	Pakistan	Yes	Other
Dell	USA	China	Yes	ICT
Dell	USA	China	Yes	ICT
Delta Electronics	Taiwan	China	Yes	ICT
Deutsche Bank	Germany	China	Yes	Finance/Insurance
Deutsche Bank	Germany	Angola	Yes	Finance/Insurance
Dexia	Belgium	Global	Yes	Finance/Insurance
Diageo/ Guinness	UK	Cameroon	Yes	AFBTF
Disney	USA	China	Yes	Consumer Goods
Disney	USA	China	Yes	Consumer Goods
Djoser Reisen	Germany	Burma	Yes	Tourism
DSM	India	India	Yes	Pharmaceutical
Doe Run	USA	Peru	Yes	Extractive
Doe Run	USA	Peru	Yes	Extractive
Doe Run	USA	Peru	Yes	Extractive
Dole	USA	Colombia	Yes	AFBTF
Dole	USA	Latin America	Yes	AFBTF
Dole	USA	Philippines, Colombia	Yes	AFBTF
Dow Chemical	USA	USA, India	Yes	Chemical/Waste Management
Dow Chemical	USA	USA	Yes	Chemical/Waste Management
Drax	UK	UK	No	EEC
Drummond	USA	Colombia	No	Extractive
Dundee Precious Metals	Canada	Bulgaria	Yes	Extractive
Dundee Precious Metals	Canada	Armenia, Bulgaria, Kyrgyzstan	Yes	Extractive
Dundee Precious Metals	Canada	Armenia	Yes	Extractive
DuPont	USA	USA	Yes	Chemical/Waste Management
DuPont	USA	China	No	Chemical/Waste Management
DuPont	USA	USA	Yes	Chemical/Waste Management
Eagle Industries	USA	Global	Yes	Apparel/Textile
Ecuavital Biox	Ecuador	Ecuador	Yes	Security/Defence
Ecopetrol	Colombia	Colombia	No	Extractive
EDF	France	Laos	Yes	EEC
EDF Energy	UK	UK	Yes	EEC
Electric Power Development Company	Japan	Burma	Yes	EEC
Eli Lilly	USA	Global	No	Pharmaceutical
Eli Lilly	USA	Global	No	Pharmaceutical

Emirates	UAE	Mexico	No	Tourism
Endesa	Spain	Latin America	No	Extractive
Endiama	Angola	Angola	No	Extractive
Endiama	Angola	Angola	Yes	Extractive
Energi Mega Persada	Indonesia	Indonesia	No	EEC
ENI	Italy	Kazakhstan	Yes	Extractive
ENI	Italy	Rep. of Congo	Yes	Extractive
ENI	Italy	Rep. of Congo	Yes	Extractive
Entergy	USA	USA	Yes	EEC
Envoy Group	Bangladesh	Bangladesh	No	Apparel/Textile
E.ON	UK	UK	Yes	EEC
Ericsson	Sweden	China	Yes	ICT
Ericsson	Sweden	China	Yes	ICT
Ericsson	Sweden	China	Yes	ICT
Erinys	UK	Iraq	Yes	Security/Defence
Erinys	UK	Iraq	Yes	Security/Defence
Eutelsat	France	Iran	Yes	ICT
Excellon Resources	Canada	Mexico	Yes	Extractive
Excelsior Electronics	China	China	Yes	ICT
Exotissimo	Thailand	Burma	No	Tourism
ExxonMobil	USA	Chad/ Cameroon	Yes	Extractive
ExxonMobil	USA	Chad	No	Extractive
ExxonMobil	USA	USA	No	Extractive
ExxonMobil	USA	USA	Yes	Extractive
Fechheimer Brothers	USA	Global	No	Apparel/Textile
Fiat	Italy	Global	Yes	Automobile
Firestone Natural Rubber	USA	Liberia	Yes	Natural Resources/Timber
First Cabin	USA	Burma	No	Tourism
Fittec	China	China	Yes	ICT
Flextronics	Singapore	India	Yes	ICT
Ford	USA	USA	Yes	Automobile
Ford	USA	Argentina	Yes	Automobile
Ford	USA	Global	Yes	Automobile
Fort-S	Russia	Russia	Yes	Security/Defence
Fortis	Netherlands/Belgium	Indonesia	Yes	Finance/Insurance
Forza	Peru	Peru	No	Security/Defence
Foxconn / Hon Hai	Taiwan	China	No	ICT
Foxconn	Taiwan	China	Yes	ICT
Foxconn	Taiwan	India	Yes	ICT
Fred Meyer	USA	Global	Yes	Retail
Frederick's of Hollywood	USA	Philippines	No	Retail
Freeport-McMoRan	USA	West Papua/ Indonesia	Yes	Extractive
Freeport-McMoRan	USA	Philippines	Yes	Extractive

Freeport-McMoRan	USA	Philippines	No	Extractive
Fresh Del Monte Produce	USA	Costa Rica, USA	No	AFBTF
Friosur	Chile	Chile	Yes	AFBTF
Fujitsu Technology Solutions	Netherlands	China	Yes	ICT
Full Start	China	China	Yes	Consumer Goods
G4S	UK	UK	Yes	Security/Defence
Gaffney Cline & Associates	UK	Burma	No	EEC
Gap	USA	Sri Lanka	Yes	Retail
Garib & Garib	Bangladesh	Bangladesh	No	Apparel/Textile
Gaslink	Nigeria	Nigeria	Yes	EEC
Gateway Terminals India	India	India	Yes	Transport/Shipping
Gazprom	Russia	Russia	No	EEC
GCM Resources	UK	Bangladesh	Yes	Extractive
Gelmart Industries	USA	Philippines	Yes	Apparel/Textile
Gem Diamonds	UK	Botswana	No	Extractive
General Electric	USA	USA	Yes	EEC
General Electric	USA	China	Yes	EEC
General Electric	USA	Sudan	Yes	EEC
General Electric	USA	USA	Yes	EEC
General Motors	USA	Global	Yes	Automobile
GeoProMining	Russia	Armenia	No	Extractive
Georgia Gulf	USA	USA	Yes	Chemical/Waste Management
GEPIL (Gujarat Enviro Protection and Infrastructure Ltd)	India	India	No	Chemical/Waste Management
Gilead Sciences	USA	Global	No	Pharmaceutical
Gilead Sciences	USA	Global	No	Pharmaceutical
Glamis Gold	USA	Guatemala	Yes	Extractive
GlaxoSmithKline	UK	Global	Yes	Pharmaceutical
GlaxoSmithKline	UK	Thailand	Yes	Pharmaceutical
GlaxoSmithKline	UK	Global	Yes	Pharmaceutical
GlaxoSmithKline	UK	Global	Yes	Pharmaceutical
GlaxoSmithKline	UK	India	Yes	Pharmaceutical
Glencore	Switzerland	Colombia	Yes	Natural Resources/Timber
Global Coal Management	UK	Global	Yes	Extractive
Goldcorp / Glamis	Canada	Guatemala	Yes	Extractive
Goldcorp	Canada	Guatemala	No	Extractive
Goldcorp	Canada	Americas	No	Extractive
Goldcorp	Canada	Honduras	No	Extractive
Goldcorp	Canada	Honduras	Yes	Extractive
Goldcorp	Canada	Honduras	Yes	Extractive
Golden Star Resources	Canada	Ghana	No	Extractive

Golden Star Resources	Canada	Ghana	No	Extractive
Golden Star Resources	USA	Africa	No	Extractive
Goldfields	South Africa	Ghana	Yes	Extractive
Goldfields	South Africa	Africa	Yes	Extractive
Goldsmiths	UK	Global	No	Extractive
Goodrich	USA	USA / Armenia	No	EEC
Google	USA	China	Yes	ICT
Google	USA	China	Yes	ICT
Google	USA	China	Yes	ICT
GP Garments	Sri Lanka	Sri Lanka	Yes	Apparel/Textile
Graciela Naum	Argentina	Argentina	Yes	Apparel/Textile
Grand Circle Travels	USA	Burma	No	Tourism
Group Talent/ Jordan Silk	China	Jordan	No	Apparel/Textile
Grupo Agbar	Spain	Mexico	Yes	Natural Resources/Timber
Grupo Flores de la Montaña	Ecuador	Ecuador	Yes	AFBTF
Grupo México/ Industrial Minera México	Mexico	Mexico	Yes	Extractive
Grupo Vicini	Dominican Republic	Dominican Republic	Yes	AFBTF
Guangdong Yudean	China	China	Yes	EEC
Guangdong Red Bay Generation	China	China	No	EEC
Guangdong Electric Power Development	China	China	No	EEC
Guangzhou Development Industry Holdings	China	China	No	EEC
Habib Rafique	Pakistan	Pakistan	No	Other
Hanesbrands	USA	Jordan	Yes	Apparel/Textile
Hantai Shoe	China	China	No	Apparel/Textile
Harbin	China	Sudan	Yes	EEC
Hasbro	USA	China	Yes	Consumer Goods
Heineken	Netherlands	Cambodia	Yes	AFBTF
Heineken	Netherlands	Global	No	AFBTF
Henan Rebecca	China	China	Yes	Apparel/Textile
Heritage Oil	UK	Uganda	Yes	Extractive
Hilton Worldwide	USA	South Africa	Yes	Tourism
Hilton Worldwide	USA	Global	Yes	Tourism
Himagiri Hydro Energy	India	India	Yes	EEC
Hindalco (Aditya Birla)	India	India	No	Extractive
Hindalco (Aditya Birla)	India	India	No	Extractive
Hindalco (Aditya Birla)	India	India	No	Extractive
Hoffman-La Roche	Switzerland	Global	No	Pharmaceutical
Hoida factory	China	China	Yes	Consumer Goods
Honda	Japan	Global	No	Automobile
Horizon Clothing	Jordan	Jordan	Yes	Apparel/Textile

Horizonte	Germany	Turkey	No	Apparel/Textile
Hoya Corporation	Japan	Thailand	Yes	Other
HP (Hewlett-Packard)	USA	Global	Yes	ICT
HP (Hewlett-Packard)	USA	China	Yes	ICT
HSBC	UK	China	Yes	Finance/Insurance
Hsikwangshan Twinkling Star	China	China	No	Extractive
Hyatt Hotels	USA	South Africa	Yes	Tourism
Hyundai	South Korea	Global	Yes	Automobile
Iam Gold	Canada	Ecuador	Yes	Extractive
Ibena	Germany	Turkey	Yes	Apparel/Textile
IBM	USA	China	Yes	ICT
Ikea	Sweden	Turkey	Yes	Retail
Implats	South Africa	South Africa	Yes	Extractive
InBev	Belgium	Cambodia	Yes	AFBTF
Inco	Canada	New Caledonia	Yes	Extractive
Independencia	Brazil	Brazil	Yes	AFBTF
Inditex (Zara)	Spain	Bangladesh	Yes	Retail
Indophil / Sagittarius Mines Inc (SMI) / Xstrata	Philippines	Philippines	Yes	Extractive
ING	Netherlands	China	Yes	Finance/Insurance
ING	Netherlands	Uruguay	Yes	Finance/Insurance
ING	Netherlands	Global	Yes	Finance/Insurance
Ingenio Guadalupe	Guatemala	Guatemala	Yes	Transport/Shipping
Intel	USA	China	Yes	ICT
Intercontinental Hotels	UK	South Africa	Yes	Tourism
Intex Resources	Norway	Philippines	Yes	Extractive
Intex Resources	Norway	Philippines	Yes	Extractive
Intex Resources	Norway	Philippines	Yes	Extractive
Intex Resources	Norway	Philippines	Yes	Extractive
Island Oil & Gas	Ireland	Morocco/ Western Sahara	No	Extractive
ITM Mining	UK/Angola	Angola	Yes	Extractive
ITM Mining	UK/Angola	Angola	No	Extractive
Ivanhoe Mines	Canada	Mongolia	No	Extractive
JBS	Brazil	Brazil	No	AFBTF
JC Penney	USA	Global	Yes	Retail
JC Penney	USA	Jordan	No	Retail
Jindal Vijayanagar Steel	India	India	Yes	Steel/Aluminium
JMS Garments	Bangladesh	Bangladesh	Yes	Apparel/Textile
Jockey International	USA	Philippines	Yes	Retail
Johnson & Johnson/ Tibotec	USA/Belgium	Global	Yes	Pharmaceutical
Johnson & Johnson	USA	Sudan	Yes	Pharmaceutical
Johnson & Johnson	USA	Global	Yes	Pharmaceutical
Jostens	USA	Global	Yes	Retail
Kabir Steel Shipbreaking Yard	Bangladesh	Bangladesh	No	Steel/Aluminium

Kansai Electric Power Co (KEPCO)	Japan	Burma	No	EEC
Karachaganak Petroleum Operating (Operating cos.: BG Group, ENI)	Kazakhstan	Kazakhstan	Yes	EEC
Karstadt-Quelle	Germany	Bangladesh	Yes	Retail
KBC	Belgium	Angola	Yes	Finance/Insurance
KBC	Belgium	Global	Yes	Finance/Insurance
KBR	USA	Global	Yes	Finance/Insurance
Kellwood	USA	Guatemala	Yes	Retail
Kellwood	USA	Guatemala	Yes	Retail
Kingmaker Footwear	China	China	Yes	Apparel/Textile
Kmart (part of Sears)	USA	Philippines	Yes	Retail
Kmart/Sears	USA	Global	No	Retail
K-Nex	USA	China	Yes	Retail
Kodak	USA	USA	Yes	Consumer Goods
Kodak	USA	Sudan	Yes	Consumer Goods
Kodak	USA	USA	Yes	Consumer Goods
Kohl's	Germany	Turkey	No	Retail
Kohler	USA	China	No	Consumer Goods
Kolomyjskiy Plant	Ukraine	Ukraine	No	Other
Korea Gas	South Korea	Burma	No	EEC
Kraft	USA	Argentina	Yes	AFBTF
Kyivskij ipodrom	Ukraine	Ukraine	No	Other
Labuan Re	Malaysia	Burma	No	Finance/Insurance
Lajat (Grupo Lajat)	Mexico	Mexico	Yes	Apparel/Textile
Lahmeyer	Germany	Sudan	Yes	EEC
Lahmeyer	Germany	Sudan	Yes	EEC
Lahmeyer	Germany	Sudan	Yes	EEC
Lahmeyer	Germany	Sudan	Yes	EEC
Laird	UK	India	No	ICT
Lazare Kaplan	USA	Angola	Yes	Extractive
Lazare Kaplan	USA	Angola	No	Extractive
Ledesma	Argentina	Argentina	Yes	AFBTF
Lee Group	Nigeria	Nigeria	Yes	Other
Lenovo	China	China	No	ICT
Lenovo	China	Sudan	Yes	ICT
Lenovo	China	China	Yes	ICT
Lev Leviev Group	Israel/USA	Angola	Yes	Extractive
Lev Leviev Group	Israel/USA	Israel/ Occupied Territories, Angola, USA, Burma	Yes	Extractive
LG Chem	South Korea	DRC	No	Chemical/Waste Management
LG Electronics	South Korea	DRC	Yes	ICT
LG Electronics	South Korea	China	Yes	ICT

LG Electronics	South Korea	China	Yes	ICT
Lidl	Germany	Asia	Yes	Retail
Lion Apparel	USA	Global	Yes	Apparel/Textile
Lloyd's of London	UK	Burma	Yes	Finance/Insurance
Lotus Travel Service	Germany	Burma	No	Tourism
Lonmin	UK	South Africa	No	Extractive
Lundin Petroleum	Sweden	Sudan	Yes	EEC
Lvivske Konstruktorske Buro	Ukraine	Ukraine	No	EEC
Lyondell	USA	USA	No	Chemical/Waste Management
Macy's	USA	Guatemala	Yes	Retail
Mae Tay	China	China	Yes	ICT
Maersk	Denmark	China	No	Transport/Shipping
Maersk	Denmark	India	Yes	Transport/Shipping
Malcolm Dunstan & Associates	UK	Burma	No	EEC
Manhattan Minerals	USA	Peru	Yes	Extractive
Manulife	Canada	Sudan	No	Finance/Insurance
Marfrig	Brazil	Brazil	No	AFBTF
Martinson Konfektion	Sweden	India, Pakistan	Yes	Apparel/Textile
Max India	India	India	Yes	Pharmaceutical
McDonald's	USA	USA	Yes	AFBTF
McDonald's	USA	Sudan	Yes	AFBTF
MedcoEnergi	Indonesia	Indonesia	Yes	EEC
Mediterranean Resources	Jordan	Jordan	Yes	Extractive
Mengma Rubber	China	China	No	Natural Resources/Timber
Merck	USA	Global	Yes	Pharmaceutical
Merck	USA	Global	Yes	Pharmaceutical
Merck	USA	Global	Yes	Pharmaceutical
Merck	USA	India	Yes	Pharmaceutical
Merrill Lynch	USA	China	No	Finance/Insurance
Merrill Lynch	USA	Indonesia	No	Finance/Insurance
Metals Exploration	UK	Philippines	Yes	Extractive
Metro Group	USA	Bangladesh	Yes	Retail
Microsoft	USA	China	No	ICT
Microsoft	USA	China	Yes	ICT
Microsoft	USA	China	No	ICT
Microsoft	USA	Sudan	Yes	ICT
Microsoft	USA	Global	No	ICT
Microsoft	USA	China	Yes	ICT
Microsoft	USA	China	Yes	ICT
Minefinders	Canada	Mexico	Yes	Extractive
Minefinders	Canada	Mexico	Yes	Extractive
Minera Alumbrera	Argentina	Argentina	No	Extractive
Minera Yanacocha	Peru	Peru	Yes	Extractive

Mitsui Sumitomo Insurance	Japan	Burma	No	Finance/Insurance
Mittal Steel	Netherlands	Bosnia & Herzegovina	Yes	Steel/Aluminium
Monsanto	USA	India	Yes	AFBTF
Monsanto	USA	India	Yes	AFBTF
Monsanto	USA	India	Yes	AFBTF
Monsanto	USA	Global	Yes	AFBTF
Montagne	Argentina	Argentina	No	Apparel/Textile
Monterrico Metals	UK	Global	Yes	Extractive
Morgan Stanley	USA	China	Yes	Finance/Insurance
Mothercare	UK	Turkey	Yes	Retail
Motorola	USA	China	Yes	ICT
Motorola	USA	Israel / Occupied Territories	Yes	ICT
Motorola	USA	DRC	Yes	ICT
Motorola	USA	China	Yes	ICT
Muriel Mining	Colombia	Colombia	Yes	Extractive
Mysore Minerals	India	India	No	Extractive
Naftopromash	Ukraine	Ukraine	No	EEC
Nassa Global	Bangladesh	Bangladesh	No	Apparel/Textile
Natexis	France	Angola	Yes	Finance/Insurance
National Express	UK	USA, UK	No	Transport/Shipping
National Hydroelectric Power Corporation	India	Burma	No	EEC
National Mineral Development Corporation	India	India	Yes	Extractive
Natixis	France	Indonesia	No	Finance/Insurance
Natixis	France	Global	Yes	Finance/Insurance
NBC	USA	China	No	Other
NEC	Japan	China	Yes	ICT
Nestlé	Switzerland	Pakistan	Yes	AFBTF
New Wave Group	Sweden	Bangladesh	Yes	Apparel/Textile
New Yorker	Germany	Bangladesh	Yes	Retail
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Peru	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
Newmont	USA	Africa	Yes	Extractive
Newmont	USA	Ghana	Yes	Extractive
NH Hotels	Spain	South Africa	Yes	Tourism
Nicotex	Guatemala	Guatemala	Yes	Apparel/Textile

Nigerian Agip Oil Company, (Nigerian Natl. Petroleum, ENI, ConocoPhillips)	Nigeria	Nigeria	Yes	EEC
Nike	USA	China	Yes	Apparel/Textile
Nissan	Japan	USA	Yes	Automobile
Nissan	Japan	Global	Yes	Automobile
Nobel Oil	Russia	Burma	No	EEC
Nokia	Finland	China	Yes	ICT
Nokia	Finland	DRC	Yes	ICT
Nokia	Finland	China	Yes	ICT
Nokia	Finland	India	No	ICT
Norilsk	Russia	Russia	Yes	Extractive
Northrop Grumman	USA	USA / Armenia	No	Security/Defence
Novartis	Switzerland	Global	Yes	Pharmaceutical
Novartis	Switzerland	Global	Yes	Pharmaceutical
Novartis	Switzerland	India	Yes	Pharmaceutical
Novartis	Switzerland	Global	Yes	Pharmaceutical
Novartis	Switzerland	India	Yes	Pharmaceutical
Nucete	Argentina	Argentina	No	AFBTF
Nuclear Power Corporation of India Ltd. (NPCIL)	India	India	No	EEC
Nuziveedu	India	India	No	AFBTF
OCBC Bank	Singapore	Burma	Yes	Finance/Insurance
OCBC Bank/ Great Eastern Life	Singapore	Burma	Yes	Finance/Insurance
Occidental	USA	Peru	Yes	Extractive
OceanaGold	Australia	Philippines	Yes	Extractive
Odebrecht	Brazil	Angola	Yes	EEC
Ole Wolff Electronics	Denmark	China	Yes	ICT
Olga Naum	Argentina	Argentina	Yes	Apparel/Textile
OMV	Austria	Sudan	Yes	EEC
OrkideExpressen	Norway	Burma	Yes	Tourism
Otto	Germany	Turkey	Yes	Apparel/Textile
Oxus Gold	UK	Global	Yes	Extractive
Pacific Rim Mining	Canada	El Salvador	Yes	Extractive
Pacific Rim Mining	Canada	El Salvador	Yes	Extractive
Pana Harrison	Singapore	Burma	No	Finance/Insurance
Panasonic	Japan	Sudan	Yes	ICT
Pelican Resources	Australia	Philippines	Yes	Extractive
Pelican Resources	Australia	Philippines	No	Extractive
PEMEX	Mexico	Mexico	Yes	EEC
PepsiCo	USA	Poland	Yes	AFBTF
PepsiCo	USA	Poland	Yes	AFBTF
Perenco	France	Ecuador	Yes	Extractive
Perenco	France	Peru	Yes	Extractive
Perlos	Finland	India	Yes	ICT

Perupetro	Peru	Peru	No	EEC
Petroecuador	Ecuador	Ecuador	Yes	EEC
Petronas	Malaysia	Chad/ Cameroon	Yes	EEC
Petronas	Malaysia	Sudan	Yes	EEC
Pfizer	USA	Global	Yes	Pharmaceutical
Pfizer	USA	Global	Yes	Pharmaceutical
Pfizer	USA	Global	Yes	Pharmaceutical
Philex	Philippines	Philippines	Yes	Extractive
Philex	Philippines	Philippines	No	Extractive
Philips	Netherlands	Global	Yes	ICT
Philips	Netherlands	China	Yes	ICT
Pierre Cardin	France	Indonesia	Yes	Apparel/Textile
Placer Dome	Canada	Philippines	Yes	Extractive
PPG Industries	USA	USA	Yes	Chemical/Waste Management
Procter & Gamble	USA	China	Yes	Pharmaceutical
Propper Intl.	USA	Global	No	Apparel/Textile
PSA Peugeot-Citroën	France	China	Yes	Automobile
PSA Peugeot Citroën	France	Global	Yes	Automobile
PTTEP	Thailand	Burma	No	Extractive
PTTEP	Thailand	Burma	Yes	Extractive
Puma	Germany	China	Yes	Apparel/Textile
Pure Iron Plant	Armenia	Armenia	Yes	Chemical/Waste Management
QBE	Australia	Burma	No	Finance/Insurance
QVC (part of Liberty Media)	USA	Global	Yes	Retail
R. J. Reynolds	USA	USA	Yes	AFBTF
Radioprylad	Ukraine	Ukraine	No	Other
Rahim Steel	Bangladesh	Bangladesh	No	Steel/Aluminium
Ramky	India	India	No	Chemical/Waste Management
Ranbaxy	India	India	Yes	Pharmaceutical
Rand Uranium	South Africa	South Africa	Yes	Extractive
Rasi	India	India	No	AFBTF
Raytheon	USA	USA / Armenia	No	Security/Defence
Red Back Mining	Canada	Ghana	No	Extractive
Red Back Mining	Canada	Africa	No	Extractive
Regent Holidays	UK	Burma	Yes	Tourism
Reliance Energy	India	India	Yes	EEC
Reliance Energy	India	India	No	EEC
Repsol YPF	Spain	Peru	Yes	Extractive
Río Blanco Copper (Montericco Metals)	Peru	Peru	Yes	Extractive
Río Tinto	UK/Australia	Madagascar	Yes	Extractive
Río Tinto	UK/Australia	Global	Yes	Extractive
Río Tinto	UK/Australia	Colombia,	Yes	Extractive

		Indonesia, USA		
Rio Tinto	UK/Australia	USA	Yes	Extractive
Rio Tinto	UK/Australia	Mongolia	Yes	Extractive
Rimbunan Hijau	Malaysia	Papua New Guinea	Yes	Natural Resources/Timber
Risks Incorporated	USA	Mexico	No	Security/Defence
Rivenskyj Car Repair Plant	Ukraine	Ukraine	No	Other
Roche	Switzerland	Global	No	Pharmaceutical
Rolex	Switzerland	Global	No	Consumer Goods
Rössing Uranium (Rio Tinto)	Namibia	Namibia	Yes	Extractive
Royal Bank of Scotland	UK	Angola	Yes	Finance/Insurance
Royalife	Israel	Israel / Occupied Territories	Yes	Apparel/Textile
Rubie's Costume	USA	Mexico	Yes	Apparel/Textile
Rusal	Russia	Guyana	Yes	Extractive
Russell	USA	Jordan	No	Apparel/Textile
RWE npower	UK	UK	No	EEC
Sabodala Gold Operations / Mineral Deposits Ltd.	Senegal	Senegal	Yes	Extractive
Sagittarius Mines Inc (SMI) / Xstrata	Philippines	Philippines	Yes	Extractive
Sagittarius Mines Inc (SMI) / Xstrata / Indophil	Philippines	Philippines	Yes	Extractive
Sainsbury's	UK	Costa Rica	Yes	Retail
Salcomp	Finland	India	Yes	ICT
SalmonChile	Chile	Chile	Yes	AFBTF
Samling	Malaysia	Malaysia	No	Timber
Samsung	South Korea	China	Yes	ICT
Samsung	South Korea	Sudan	Yes	ICT
Samsung	South Korea	DRC	Yes	ICT
San Miguel	Philippines	Cambodia	Yes	AFBTF
sanofi-aventis	France	Global	No	Pharmaceutical
sanofi-aventis	France	Global	Yes	Pharmaceutical
Santos	Australia	Indonesia	Yes	Extractive
Sara Lee/Hanes	USA	Mexico	Yes	Apparel/Textile
Sasol	South Africa	USA	Yes	Chemical/Waste Management
SBM Offshore	Netherlands	Global	No	EEC
SC Thakur	India	India	No	EEC
Scapino	Netherlands	Bangladesh	Yes	Retail
Schering-Plough	USA	Global	No	Pharmaceutical
Schlumberger	USA	Libya	Yes	EEC
Seaboard/ Ingenio Tabacal	USA/Argentina	Argentina	No	AFBTF
Serco	UK	UK	Yes	Other
Shell	Netherlands	Global (8 countries)	Yes	EEC

Shell	Netherlands	Nigeria	Yes	Extractive
Shell	Netherlands	China	Yes	Extractive
Shell	Netherlands	Global	Yes	Extractive
Shell	Netherlands	Nigeria	Yes	Extractive
Shell	Netherlands	Ireland	Yes	Extractive
Shell	Netherlands	Nigeria	Yes	Extractive
Shell	Netherlands	Global	Yes	Extractive
Shell	Netherlands	Nigeria	Yes	Extractive
Shell	Netherlands	Nigeria	Yes	Extractive
Shell	Netherlands	Nigeria	Yes	Extractive
Shellseekers	UK	Burma	Yes	Tourism
Silver Planet	Jordan	Jordan	Yes	Apparel/Textile
Singer	USA	China	Yes	Consumer Goods
Singtel	Singapore	China	Yes	ICT
Singtel	Singapore	China	Yes	ICT
Sir Robert McAlpine	UK	UK	No	EEC
Skechers	USA	China	Yes	Apparel/Textile
Skye Resources	Canada	Guatemala	Yes	Extractive
Socatur	Cameroon	Cameroon	Yes	Transport/Shipping
Société Générale	France	Global	No	Finance/Insurance
Soffe (part of Delta Apparel)	USA	El Salvador	Yes	Apparel/Textile
Solo Invest	France	Bangladesh	No	Apparel/Textile
Sompo	Japan	Burma	Yes	Finance/Insurance
Sony	Japan	China	Yes	ICT
Sony Ericsson	UK	DRC	Yes	ICT
SP International	India	India	Yes	Apparel/Textile
Sputnik Petroleum	British Virgin Islands	Burma	No	EEC
Staples	USA	Sudan	Yes	Consumer Goods
Standard Chartered	UK	Angola	No	Finance/Insurance
Standard Flour Mills	Nigeria	Nigeria	Yes	AFBTF
Starbucks	USA	Guantanamo Bay	Yes	Retail
Starwood Hotels	USA	Egypt	No	Tourism
Starwood Hotels	USA	South Africa	Yes	Tourism
Statoil	Norway	Global	Yes	Extractive
Steilmann	Germany	Bangladesh	Yes	Apparel/Textile
Studiosus	Germany	Burma	Yes	Tourism
Sudapet	Sudan	Sudan	No	Extractive
Suez	France	Bolivia	Yes	EEC
Surpassing Shoe Co.	China	China	No	Apparel/Textile
Suzuki	Japan	Global	No	Automobile
Swatch	Switzerland	Sudan	Yes	Consumer Goods
Swarovski	Austria	India	Yes	Consumer Goods
Swire Beverages	China	China	Yes	AFBTF
Target	USA	Jordan	Yes	Retail

Target	USA	Burma	Yes	Retail
Target	USA	Turkey	Yes	Retail
Target Insurance Brokers	Singapore	Burma	No	Finance/Insurance
Tata	India	India	No	ICT
TCL	China	China	No	ICT
TeliaSonera	Sweden	Belarus	Yes	ICT
Tesco	UK	South Africa	Yes	Retail
Tesco	UK	China	Yes	Retail
Tesco	UK	Asia	Yes	Retail
Textiles KN de Oriente	Mexico	Mexico	Yes	Apparel/Textile
Thermopower	South Africa	South Africa	Yes	Chemical/Waste Management
Tiffany	USA	Burma	Yes	Retail
Timberland	USA	China	Yes	Apparel/Textile
TNT	Netherlands	Global	Yes	Transport/Shipping
Tokio Marine	Japan	Burma	No	Finance/Insurance
Tongaat Hulett	South Africa	Mozambique	Yes	Natural Resources/Timber
TOP-TOY	Sweden	China	Yes	Consumer Goods
Total	France	Burma	Yes	Extractive
Total	France	China	No	Extractive
Total	France	Burma	Yes	Extractive
Total	France	Burma	No	Extractive
Total	France	Burma	Yes	Extractive
Total	France	Burma	Yes	Extractive
Total	France	Burma	Yes	Extractive
Toyota	Japan	Burma	No	Automobile
Toyota	Japan	Global	Yes	Automobile
Toyota	Japan	Global	Yes	Automobile
Triple Canopy	USA	Global	Yes	Security/Defence
Triumph	Germany	Philippines & Thailand	Yes	Apparel/Textile
TUI	Germany	Burma	Yes	Tourism
TVI Pacific	Canada	Philippines	Yes	Extractive
TVI	Canada	Philippines	Yes	Extractive
TVI	Canada	Philippines	Yes	Extractive
Tyson	USA	USA	Yes	AFBTF
UBS	Switzerland	China	Yes	Finance/Insurance
UBS	Switzerland	Global	Yes	Finance/Insurance
Ukrenerg	Ukraine	Ukraine	Yes	EEC
UMW Holdings	Malaysia	Burma	Yes	EEC
Unilever	UK/Netherlands	Global	Yes	AFBTF
Union Fenosa	Spain	Colombia	Yes	EEC
Union Fenosa	Spain	Latin America	Yes	EEC
Union Fenosa	Spain	Guatemala	Yes	EEC
United Technologies	USA	USA / Armenia	Yes	Security/Defence

UPS	USA	China	No	Transport/Shipping
UPS	USA	Sudan	No	Transport/Shipping
Uranium Corp. of India Ltd (UCIL)	India	India	No	Extractive
US Steel	USA	USA	Yes	Steel/Aluminium
US Steel	USA	USA	Yes	Steel/Aluminium
Vattenfall	Sweden	Colombia	Yes	EEC
Vedanta Resources	UK	India	Yes	Extractive
Vedanta Resources	UK	Zambia	Yes	Extractive
Vedanta Resources	UK	Global	Yes	Extractive
Vedanta Resources	UK	India	Yes	Extractive
Vedanta Resources	UK	India	Yes	Extractive
Vedanta Resources	UK	India	Yes	Extractive
Veracel	Brazil	Brazil	Yes	Timber
VF Corporation/ Nautica	USA	Jordan	Yes	Apparel/Textile
Victoria's Secret	USA	Sri Lanka	Yes	Retail
Visa	USA	Sudan	Yes	Finance/Insurance
Vodafone	UK	China	Yes	ICT
Volcán Compañía Minera	Peru	Peru	No	Extractive
Volkswagen	Germany	Sudan	Yes	Automobile
Volkswagen	Germany	Global	Yes	Automobile
Volvo	Sweden	Israel	Yes	Automobile
Wal-Mart	USA	Canada	Yes	Retail
Wal-Mart	USA	Philippines	No	Retail
Wal-Mart	USA	Jordan	Yes	Retail
Wal-Mart	USA	Burma	Yes	Retail
Wal-Mart	USA	China	No	Retail
Wal-Mart	USA	China	Yes	Retail
Wal-Mart	USA	Jordan	Yes	Retail
Wal-Mart	USA	Bangladesh	Yes	Retail
Wal-Mart	USA	Asia	Yes	Retail
Wal-Mart	USA	Mexico	Yes	Retail
Wal-Mart/Sam's Club	USA	Global	Yes	Retail
Walt Disney	USA	China	Yes	Consumer Goods
Walt Disney	USA	France	Yes	Tourism
Walt Disney	USA	China	No	Consumer Goods
Walt Disney	USA	China	Yes	Consumer Goods
Warner Brothers (part of Time Warner)	USA	Mexico	Yes	Consumer Goods
Wendy Wu Tours	USA	Burma	No	Tourism
Weyerhaeuser	USA	Global	Yes	Timber
White Nile Petroleum Operating	Sudan	Sudan	Yes	Extractive
Whitehall Jewellers	USA	Global	No	Retail
Wintek	Taiwan	India	No	ICT
WorleyParsons Komex	Australia	Egypt	Yes	EEC
Wyeth	USA	Global	Yes	Pharmaceutical

Wyeth	USA	Global	No	Pharmaceutical
Xinhao	China	China	No	ICT
Xstrata	Switzerland	South Africa	Yes	Extractive
Xstrata	Switzerland	Global	No	Extractive
Xstrata/Sagittarius Mines Inc (SMI)	Philippines	Philippines	Yes	Extractive
Xstrata/Sagittarius Mines Inc (SMI)/ Indophil	Philippines	Philippines	Yes	Extractive
Xstrata/Sagittarius Mines Inc (SMI)/ Indophil	Philippines	Philippines	No	Extractive
Yad Lechayey Adam Carpenters	Israel	Israel / Occupied Territories	No	Other
Yahoo	USA	China	Yes	ICT
Yahoo	USA	China	No	ICT
Yahoo	USA	China	No	ICT
Yahoo	USA	China	Yes	ICT
Yamana Gold	Canada	Honduras	Yes	Extractive
Yonghong Electronics	China	China	No	ICT
Yonghong Factory/ FSP Group	China	China	No	ICT
Zambia Copper Investments	Zambia	Zambia	Yes	Extractive
Zapata Engineering	USA	Global	No	EEC
7NG	Cambodia	Cambodia	No	EEC

ANNEX 2: Overview of companies from the BRIC sample.

HQ	Company	Sector	Nr. of Invitations	Nr. of Responses	Nr. of non Responses	Location of Allegations	UN Global Compact	CSR Website
Brazil	BAESA	EEC	1	1	0	Brazil	No	Yes
Brazil	Independencia	AFBTF	1	1	0	Brazil	No	No
Brazil	JBS	AFBTF	1	0	1	Brazil	No	Yes
Brazil	Marfrig	AFBTF	1	0	1	Brazil	No	Yes
Brazil	Odebrecht	EEC	1	1	0	Angola	No	Yes
Brazil	Veracel	Natural Resources/ Timber	1	1	0	Brazil	Delisted	Yes
Total Brazilian Companies: 6			Total: 6	Total: 4	Total: 2		Total: 0	Total: 5
China	Baishanlin	Natural Resources/ Timber	1	1	0	Guyana	No	No
China	Bestec	ICT	1	1	0	China	No	No
China	China Power Investment	EEC	3	0	3	Burma	Yes	Yes
China	China Road & Bridge (CRBC)	EEC	1	1	0	DRC	No	Yes
China	CWE (China International Water & Electric)	EEC	1	1	0	Sudan	No	No
China	Excelsior Electronics	ICT	1	1	0	China	No	Not found
China	Fittec	ICT	1	1	0	China	No	No
China	Full Start	Consumer Goods	1	1	0	China	No	No
China	Group Talent/ Jordan Silk	Apparel/Textile	1	0	1	Jordan	No	Not found
China	Guangdong Electric Power Development	EEC	1	0	1	China	No	Not found
China	Guangdong Red Bay Generation	EEC	1	0	1	China	No	Not found
China	Guangdong Yudean	EEC	1	1	0	China	No	Yes
China	Guangzhou Development Industry Holdings	EEC	1	0	1	China	No	Yes
China	Hantal Shoe	Apparel/Textile	1	0	1	China	No	Not found
China	Harbin	EEC	1	1	0	Sudan	No	No
China	Henan Rebecca	Apparel/Textile	1	1	0	China	No	Not found
China	Hoida factory	Consumer Goods	1	1	0	China	No	Not found
China	Hsikwangshan Twinkling Star	Extractive	1	0	1	China	No	No
China	Kingmaker Footwear	Apparel/Textile	1	1	0	China	No	No
China	Lenovo	ICT	3	2	1	China	Yes	Yes
China	Mae Tay	ICT	1	1	0	China	No	No
China	Mengma Rubber	Natural Resources/ Timber	1	0	1	China	No	No
China	Surpassing Shoe Co.	Apparel/Textile	1	0	1	China	No	Not found
China	Swire Beverages	AFBTF	1	1	0	China	No	Yes
China	TCL	ICT	1	0	1	China	No	Yes
China	Xinhao	ICT	1	0	1	China	No	Not found
China	Yonghong Electronics	ICT	1	0	1	China	No	Not found
China	Yonghong Factory/ FSP Group	ICT	1	0	1	China	No	No
Total Chinese Companies: 28			Total: 32	Total: 16	Total: 16		Total: 2	Total: 7
India	Amalgamated Plantations Private Ltd - APP	AFBTF	1	1	0	India	Inactive	Yes
India	Ankur	AFBTF	1	0	1	India	No	No
India	BEIL (Bharuch Enviro Infrastructure Ltd)	Chemical/Waste Management	1	1	0	India	No	Not found
India	Bharti Airtel	ICT	1	0	1	India	No	Yes
India	Coal India (Eastern Coal Fields)	Extractive	1	1	0	India	Yes	Yes
India	DSM	Pharmaceutical	1	1	0	India	Yes	Yes
India	Gateway Terminals India	Transport/Shipping	1	1	0	India	No	Yes
India	GEPIIL (Gujarat Enviro Protection and Infrast Management)	Chemical/Waste Management	1	0	1	India	No	Yes
India	Himagiri Hydro Energy	EEC	1	1	0	India	No	No
India	Hindalco (Aditya Birla)	Extractive	3	0	3	India	No	Yes
India	Jindal Vijayanagar Steel	Aluminium/Steel	1	1	0	India	No	No
India	Max India	Pharmaceutical	1	1	0	India	No	Yes
India	Mysore Minerals	Extractive	1	0	1	India	No	Not found
India	National Hydroelectric Power Corporation	EEC	1	0	1	Burma	Inactive	Yes
India	National Mineral Development	Extractive	1	1	0	India	No	No
India	Nuclear Power Corporation of India Ltd. (NPCIL)	EEC	1	0	1	India	No	No
India	Nuziveedu	AFBTF	1	0	1	India	No	No
India	Raasi	AFBTF	1	0	1	India	No	No
India	Ranbaxy	Pharmaceutical	1	1	0	India	No	Yes
India	Ramky	Chemical/Waste Management	1	0	1	India	No	Yes
India	Reliance Energy	EEC	2	1	1	India	No	Yes
India	SC Thakur	EEC	1	0	1	India	No	Not found
India	SP International	Apparel/Textile	1	1	0	India	No	No
India	Tata	ICT	1	0	1	India	No	Yes
India	Uranium Corp. of India Ltd (UCIL)	Extractive	1	0	1	India	No	Yes
Total Indian Companies: 25			Total: 28	Total: 12	Total: 16		Total: 2	Total: 14
Russi	Fort-S	Security/Defence	1	1	0	Russia	No	Not found
Russi	Gazprom	Extractive	1	0	1	Russia	No	Yes
Russi	GeoProMining	Extractive	1	0	1	Armenia	No	Yes
Russi	Nobel Oil	Extractive	1	0	1	Burma	No	No
Russi	Norilsk	Extractive	1	1	0	Russia	No	Yes
Russi	Rusal	Extractive	1	1	0	Guyana	Yes	Yes
Total Russian Companies: 6			Total: 6	Total: 3	Total: 3		Total: 1	Total: 4
Total Companies: 65			Total: 72	Total: 35 (49%)	Total: 37 (51%)		Total: 5 (7%)	Total: 30 (42%)