

THE ECUMENICAL COUNCIL FOR CORPORATE RESPONSIBILITY

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News International hacking scandal highlights need for human rights due diligence

The ever growing News International hacking scandal highlights two key lessons for all those who care about business ethics and corporate responsibility, says church-based research and advocacy group the Ecumenical Council for Corporate Responsibility (ECCR).

First, News Corporation's falling share price emphasises the link between good corporate governance and shareholder value. Well-governed companies behave more ethically and really do perform better over the long-term. Second, the case reveals how far many multinational companies have to go before they meet minimum international standards of business and human rights.

'The United Nations Framework on Business and Human Rights, developed by Harvard Professor John Ruggie and adopted by the UN Human Rights Council, emphasises the responsibility of companies to respect human rights,' said Miles Litvinoff, ECCR's Co-ordinator. 'And this means do no harm.'

The UN Framework requires companies to adopt a human rights policy; to integrate human rights throughout the company with full commitment from top management; to track human rights performance; and to establish effective grievance mechanisms for those claiming redress.

In 2010 News Corporation refused shareholder pressure to set up a human rights committee.*

Shareholders should now press News Corporation – and all companies that currently lack effective human rights processes – to get to work on their human rights due diligence, ECCR says.

* www.smh.com.au/business/human-rights-no-issue-for-news-20100831-14fl2.html

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Notes for editors

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