

Joint Statement Calling on the Investor Community to Ensure Corporate Accountability in Covid-19 Response



May 14, 2020

The undersigned organizations, who are committed to advancing corporate accountability and business respect for human rights, have come together to urge immediate action from the investor community in response to the Covid-19 pandemic that promotes respect for human rights and the environment, and will ultimately contribute to a more just society. Beyond immediate actions, investors must ensure that efforts to rebuild from the upheaval caused by the Covid-19 pandemic are focused on transitioning to a more just economic and social order.

As the investor community seeks to respond to the Covid-19 pandemic, and support businesses responding to the pandemic, it should revisit and uphold the investor responsibility to protect human rights under international norms and guidelines. Current international authoritative standards, such as the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#), outline expectations that investors, as business enterprises, will embed respect for human rights into their core business—their investment activities. “In practice, [this means that investors need to:](#)

- *know* how they are connected with risks to people throughout their investment activities;
- *take action* on the most salient (i.e. severe) risks identified; and
- *show* their efforts to prevent, mitigate, and address those risks through public disclosure.”

Investors and governments alike have increasingly acknowledged the investor responsibility to respect human rights and [have begun to integrate it into rules and regulations](#). While this responsibility may need to be carried out differently in response to a global pandemic, it should nevertheless act as the guiding force behind activities of the investor community as they work with companies that are directly impacted by Covid-19.

As the crisis continues, and to offer immediate relief to those suffering as a result of Covid-19, it is imperative that the investor community honors its responsibility to protect against business-related human rights and environmental abuses in the context of this pandemic. **We call on the investor community to take the following immediate measures:**

- 1) Promote the protection of human rights in corporate Covid-19 responses.** Investors should demonstrate their responsibility to respect human rights by using international norms and best practices in their Covid-19 response efforts and engagement. Responses from the investor community should be informed through the process of evaluating risk through human rights and environmental due diligence to understand how their investments may be linked to human rights abuses. Investors should also require and participate in remediation where harms have occurred through the work of the companies in which they invest.

Investors should call upon businesses to use international guidelines to ensure that Covid-19 response plans are crafted with a rights-based framework in mind. The use of these guidelines will help to ensure that companies are evaluating risks to people, not risk to corporate returns. The investor community should make the performance of human rights and environmental due diligence and the provision of or cooperation in remediation when harms occur requirements for any business in which they invest.

Investors should make clear to companies that worker health and safety must be paramount in any response efforts. [Investor groups](#) and [others in the human rights community](#) have already

called on companies to protect workers and have laid out [a number of other actions that businesses should take](#) in the immediate-term to respond to Covid-19. Investors should be following these developments and informing their messaging based upon statements from health and safety experts, human rights organizations, as well as [responsible investment groups](#). Investors should highlight these suggested actions and this moment as an opportunity for companies to demonstrate their commitment to the corporate shift away from shareholder primacy.

- 2) **Prioritize company engagement based on risk.** Investors should prioritize using their leverage to move companies who are failing to appropriately respond to the Covid-19 crisis or who are using the crisis to avoid scrutiny for furthering decisions that would have been publicly criticized if not for the pandemic. Investors should pay special attention to changes in economic patterns and company responses that may create or exacerbate other issues and use their voice to ensure new or increased negative impacts on people planet are mitigated. Investors should prioritize engagement relating to Covid-19 crisis response and should postpone engagement on other matters until the crisis has subsided.
- 3) **Ensure adequate and appropriate stakeholder engagement.** Investors should use their leverage to ensure that all affected stakeholders are consulted as businesses and governments craft their Covid-19 crisis responses, including people with disabilities, older people, women, and minority populations who are being disproportionately impacted by the pandemic. It is incumbent on the investor community to ensure robust coordination between companies and other stakeholders, including workers, consumers, businesses, and governmental authorities. Investors should use their leverage to ensure that, where they exist, companies are using union relationships to engage with workers to best understand worker needs when designing response plans and processes.
- 4) **Pay particular attention to the threats facing human rights defenders and other vulnerable communities.** With governments focused on combatting the spread of Covid-19, those standing up for their rights or speaking out against corporate activities or harms, including Human Rights and Environmental Defenders and Indigenous Peoples, are even more vulnerable than usual to threats, harassment, and attacks. Investors should speak out to emphasize that the role of a free civil society is as important as ever, adapt risk assessments to ensure these increased threats are identified across investment portfolios, and take action to prevent and mitigate any risks identified.
- 5) **Call for increased corporate disclosures.** Investors should work with companies to identify salient human rights risks that have newly arisen or may arise as a result of the Covid-19 pandemic. To facilitate their own due diligence with regard to corporate responses to Covid-19, investors should demand that companies provide ongoing disclosures that are up-to-date, accurate, and transparent. These disclosures should include as much information as is practicable on the current health of the company, as well as the company's plans to contribute to a more sustainable economy as we emerge from the Covid-19 crisis. Disclosures like these help investors to better fulfill their oversight role and to demonstrate to their beneficiaries that their money is being managed in line with their values.
- 6) **Actively participate in virtual Annual General Meetings.** Investors should exercise their oversight role in company AGMs. Investors participating in virtual AGMs should take the opportunity to fully understand the company's planned Covid-19 response plan and to ask questions to ensure the

plan protects worker health and provides economic continuity. Investors should work to ensure that [all stakeholders are able to participate](#) in companies' virtual AGMs. They should also seek assurances from companies that AGMs are only being held virtually this year in response to public health needs and will not be held virtually in the future.

- 7) **Speak publicly about government and corporate responses.** Where governments and companies are falling short in their responses to the Covid-19 pandemic, investors should use their voice to call out inaction or missteps publicly. They should then use their leverage to pressure companies to remedy any adverse impact or poor response appropriately. Investors should also use their voice to engage with government decision makers and ensure that corporate governance standards are not weakened during this crisis. Investors should advocate for government interventions that mitigate the negative impacts of Covid-19 crisis on people, particularly the most at-risk who will bear the brunt of the crisis, and the planet.
- 8) **Promote financial responsibility for the duration of the Covid-19 crisis.** Investors should advocate for moratoriums on executive pay raises, stock buybacks, and the payment of dividends for the duration of the Covid-19 pandemic. The investor community should call for companies to prioritize spending available funds or government assistance to pay workers and honor existing contracts over short-term returns and the creation of wealth for shareholders and executives. Investors should also call for companies to only seek and accept government assistance where necessary.
- 9) **Actively advocate for a sustainable economic recovery.** It is vital for investors to assume responsibility for their own direct choices and role in shaping the economic, social and ecological values of the societies, communities, and industries they profit from. As we look toward a post-Covid-19 society, investors should [advocate for sustainable and responsible long-term investment strategies](#) that seek to [address the inequality and inequity](#) built into our current economic structures. We urge investors to engage in this deep transformation, by recognizing both how our systems of corporate accountability, governance, and finance are broken, and how they should be more equitably rebuilt.

This pandemic has laid bare a reality that our organizations work to highlight every day: societies cannot thrive when our most at-risk groups are exploited. We urge investors to recognize how our economies and systems of government are broken, and to work to rebuild those structures to protect human dignity, promote corporate accountability, and ensure that governments are free from corruption and corporate influence. As long as public actors and private entities prioritize profit maximization over sustainable ecosystems and the rights of individuals and communities, large segments of our society will be left behind.

The current crisis provides an opportunity to transition to a more just economy and social order, guided by the principles of participation, human and environmental rights, and democratic governance. This involves, among other things, promoting forms of business governance that center on workers and communities, committing to a social purpose that considers the wellbeing of all stakeholders and maximizes social good, and adhering to international human rights principles, such as the [UN Guiding Principles on Business and Human Rights](#), the [OECD Guidelines for Multinational Enterprises](#), and the [Paris Agreement](#).

Going back to business as usual after Covid-19 is not an option. As a community of business and human rights and corporate accountability organizations, we call upon the investor community to act immediately upon the recommendations above and to do its part as we work to rebuild from this pandemic.

Sincerely,

Accountability Counsel

Accountability Lab

Advocacy for Principled Action in Government

AFL-CIO

Amnesty International

Business & Human Rights Resource Centre

Canadian Lawyers for International Human Rights

Corporate Accountability Lab

Danish Institute for Human Rights

Earthworks

ECNL- European Center for Not-for-Profit Law Stichting

European Coalition for Corporate Justice (ECCJ)

Global Legal Action Network

Global Witness

Heartland Initiative

Human Rights Law Centre

Human Rights Watch

Humanity United

Inclusive Development International

Interfaith Center on Corporate Responsibility

International Accountability Project (IAP)

International Corporate Accountability Roundtable (ICAR)

International Federation for Human Rights (FIDH)

International Labor Rights Forum

International Service for Human Rights (ISHR)

Publish What You Pay (PWYP)

Responsible Sourcing Network

Rights and Accountability in Development (RAID)

MSI Integrity