



A GUIDE FOR BUSINESS

How to Develop a Human Rights Policy



OFFICE OF THE HIGH COMMISSIONER FOR HUMAN RIGHTS

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By doing so, business, as a primary agent driving globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The United Nations Global Compact has two objectives:

1. Mainstream the ten principles in business activities around the world;
2. Catalyse actions in support of broader United Nations goals, including the Millennium Development Goals (MDGs).

www.unglobalcompact.org

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www.ohchr.org

Guide in summary

Why respect human rights?

- All companies have a responsibility to respect human rights, which means to avoid infringing on the human rights of others.
- To gain commercial benefits associated with good human rights practice, e.g., attracting investment, procurement, top-quality recruits and securing the social licence to operate.
- To live up to the company's commitment to the United Nations Global Compact (if it is a participant).

Why develop a human rights policy?

- To provide a basis for embedding the responsibility to respect human rights through all business functions.
- To respond to relevant stakeholder expectations.
- To identify policy gaps and initiate a process that alerts the company to new areas of human rights risk.
- To elaborate on the company's commitment to support human rights.
- To build increased trust with external stakeholders and to start to understand and address their concerns.
- To foster the development of in-house learning, management capacity and leadership on human rights issues.
- To demonstrate international good business practice.

Getting started - the process behind the policy

- Developing a human rights policy can be a dynamic, though not always a predictable process. Do not expect perfection at first. Many firms update their policies as they gain experience.
- Assign senior management responsibility to drive the process.
- Involve all business operations in policy development, implementation and reviews.
- Map existing company policies to identify human rights coverage and gaps.
- Involve cross-functional personnel (human resources, legal, procurement, security, etc.) in the process to build understanding, know-how and a sense of common purpose.
- Consult internal and external stakeholders to identify and respond to their expectations.

What are the key ingredients of a human rights policy?

All policies — whether stand-alone or integrated — should at a minimum comprise:

- An explicit commitment to respect all human rights which refers to international human rights standards, including the Universal Declaration of Human Rights.
- Provisions on labour/workplace rights.
- Provisions on non-labour rights. These will reflect human rights priorities and are likely to be particular to the company's industry/areas of operation.

Next steps - Path to implementation

- Assessing the company's human rights impacts and risk areas, including country analyses, new operation assessments and stakeholder consultation.
- Integrating human rights throughout the company, looking at training, communication, management systems, etc.
- Tracking and communicating on performance, including by identifying progress measurement indicators.
- Providing for or cooperating in remedying an adverse human rights situation that a company has caused or contributed to through legitimate processes.
- Establishing or participating in effective operational-level grievance mechanisms for individuals and communities that may be adversely affected by the company's activities.

1. Overview - what is a human rights policy?

A human rights policy can take many forms and has no uniform definition. At a minimum, it is a public statement adopted by the company's highest governing authority committing the company to respect international human rights standards and to do so by having policies and processes in place to identify, prevent or mitigate human rights risks, and remediate any adverse impact it has caused or contributed to. It should explicitly use the words "human rights". Many human rights policies also elaborate on the company's commitment to support human rights.¹ Human rights policies can be found within company statements of business principles, codes of conduct or other values-related literature, or take the form of stand-alone statements on company websites or in other public corporate responsibility documentation.²

Adopting a human rights policy is a precursor to a company's human rights due diligence towards meeting its responsibility to respect human rights. It sends a clear signal to internal and external stakeholders that the company is striving to embed human rights into its operational policies and procedures and to understand the human rights impacts of the business, both positive and negative. It also signals a commitment to take respect for human rights sufficiently seriously to allocate management time and resources to developing and implementing a policy, including by consulting externally.

A Guide for Business: How to Develop a Human Rights Policy seeks to outline why companies should respect human rights, the principal reasons for adopting a human rights policy, its key ingredients and the best-practice process to develop one.

1. Global Compact Principle One asks companies to respect and support human rights.

2. For example, CNOOC included a statement on how it views human rights issues in its overseas operations in its 2009 Corporate Social Responsibility report, available from www.cnooc.com.cn/file/GetAttachment.pdf (accessed 15 April 2011).

2. Why respect human rights?

SUMMARY

- All companies have a responsibility to respect human rights, which means to avoid infringing on the human rights of others.
- To gain commercial benefits associated with good human rights practice, e.g., attracting investment, procurement, top-quality recruits and securing the social licence to operate
- To live up to the company's commitment to the United Nations Global Compact (if it is a participant).

Values: a universal responsibility

Companies have a responsibility to respect international human rights standards, which means not to infringe on people's rights and to address adverse human rights impacts that they cause or contribute to.³

This universal responsibility is articulated in the “Protect, Respect and Remedy” framework, welcomed by the United Nations Human Rights Council in 2008. In 2011, Guiding Principles addressed to both Governments and business on how to implement the framework, including the responsibility of business to respect human rights, were endorsed by the Human Rights Council. The endorsement established the Guiding Principles as the authoritative global reference point for business and human rights. The framework, which has widespread support from business and civil society, implies that companies must have a human rights policy to embed human rights within their operational policies and procedures. Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, “Guiding Principles on Business and Human Rights: Implementing the United Nations ‘Protect, Respect and Remedy’ Framework” (A/HRC/17/31)

This responsibility to respect human rights is incorporated in Principle One of the United Nations Global Compact.

Commercial

Many firms believe that showing respect for human rights gives them a competitive advantage over competitors that overlook the area. Exercising human rights due diligence can help companies attract investment. Investment that favours good environmental, social and corporate governance is expanding⁵ and being mainstreamed, with asset managers like BlackRock, AXA Investment Manager, Calvert and HSBC all now offering funds with such criteria, some covering human rights. Indices like the FTSE4Good and Dow Jones Sustainability Index have strict human rights entry criteria.⁶ And some national State pension funds and major public sector funds also screen on labour and human rights, e.g., the United States teachers' and researchers' pension fund TIAA-CREF (US\$ 314 billion) and the Norwegian Government Pension Fund (US\$ 380 billion).

3. According to the Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie, “Protect, respect and remedy: a framework for business and human rights”, doing no harm “is not merely a passive responsibility for firms but may entail positive steps — for example, a workplace anti-discrimination policy might require the company to adopt specific recruitment and training programmes” (A/HRC/8/5).

4. See A/HRC/17/31.

5. Over 500 institutional investors have also signed up to the United Nations-backed Principles for Responsible Investment and together account for more than US\$ 20 trillion worth of assets under management in 36 countries.

6. FTSE4Good insists on companies in high-risk sectors having a human rights policy.

Good human rights practice can help attract new business, including public sector procurement. For example, suppliers of the Government of the Netherlands are expected to comply with specific human rights criteria.⁷ Anecdotal evidence suggests that a growing number of smaller companies in the value or supply chains of global firms are themselves developing an explicit human rights position in order to attract business, because they know that some multinationals demand such standards of their suppliers and business partners.⁸ In recruitment, too, surveys show that corporate ethics is an increasingly important area; many applicants now ask hiring managers how company values, including on human rights, are translated into day-to-day activities.⁹ Securing and maintaining a social licence to operate is another incentive. Support for human rights can also be a source of innovation for the introduction of new product lines or adjustment to existing ones.

Legal

The responsibility to respect human rights is not a legal duty imposed on companies by treaty, but it is not a law-free zone either. The provisions of many international human rights treaties are embedded in domestic law (e.g., safety, health, anti-discrimination), and many Governments have adopted the Rome Statute of the International Criminal Court, which — depending on the provisions of their own criminal code — may mean that they are empowered to prosecute companies for certain international human rights violations. In addition, because the responsibility to respect human rights has become an international standard of conduct endorsed not only by the United Nations but also by business associations, NGOs and Governments, failure to live up to that standard and infringing human rights can lead to calls for legal liability, or at least allegations that might be considered by non-judicial grievance mechanisms, such as by a national contact point of the Organization for Economic Co-operation and Development (OECD).¹⁰

7 See www.senternovem.nl/sustainableprocurement/criteria_development/index.asp (accessed 15 April 2011).

8. GE, for example, expects its suppliers to respect human and labour rights, and works to implement and audit the practices in its supply chain. "While our experience is that most suppliers seek to meet GE's expectations, we terminated approximately 160 suppliers in 2006 for poor performance in this programme." See www.ge.com/files_citizenship/pdf/GE_2007_citizen_07rep.pdf (accessed 15 April 2011).

9. A global survey by New York-based consulting firm DBM found that 82 per cent of human resources and career experts cite corporate leadership ethics to be important to job seekers today. "Globally, corporations are being held to the highest standards by current and future employees." See http://findarticles.com/p/articles/mi_m3495/is_11_47/ai_94161915/?tag=content;col1 (accessed 15 April 2011).

10. See John F. Sherman and Amy Lehr, "Human rights due diligence: Is it too risky?", A Working Paper of the Corporate Social Responsibility Institute, No. 55 (Cambridge, Massachusetts, Harvard University, February 2010). Available from www.hks.harvard.edu/m-rcbg/CSRI/pub_main.html.

3. Why develop a human rights policy?

SUMMARY

- To provide a basis for embedding the responsibility to respect through all business functions.
- To respond to relevant stakeholder expectations.
- To identify policy gaps and initiate a process that alerts the company to new areas of human rights risk.
- To elaborate on the company's commitment to support human rights.
- To build increased trust with external stakeholders and to start to understand and address their concerns.
- To foster the development of in-house learning, management capacity and leadership on human rights issues.
- To demonstrate international good business practice.

To provide a basis for embedding the responsibility to respect through all business functions

In order to ensure that the company's responsibility to respect human rights is embedded through all business functions, it should express its commitment to do so by developing a human rights policy. Such a policy is the first step in showing that the company understands its universal responsibility to respect human rights. It provides the basis for publicly affirming company values and embedding the responsibility into company operations and the way it does business.

To respond to stakeholder expectations

As indicated above, there is an emerging international consensus about what steps companies should take to demonstrate their commitment to respecting human rights, most notably represented by the "Protect, Respect and Remedy" framework and the Guiding Principles. Having a human rights policy is explicitly required by the framework and the Guiding Principles,¹¹ and increasingly expected by relevant stakeholders, including investors, business partners and Governments.

To identify policy gaps and alert the company to new areas of risk

A company can both cause and contribute to adverse human rights impacts through its own activities. Its existing policies may not address both dimensions.

A company may not realize its potential to impact particular human rights without first identifying what human rights mean to the business. Developing a policy can be the catalyst. More and more firms worldwide report that developing and implementing a human rights policy has helped them see human rights risks and become better equipped to deal with human rights issues that arise.

Existing policies may benefit from a human rights approach. For example, environmental policies can focus solely on technical solutions to perceived technical problems and miss the potential impact on communities and people's rights. A human rights approach can also strengthen the alignment of existing company policies by demonstrating their alignment with universal values.

11. The "Guiding principles on business and human rights: implementing the United Nations 'protect, respect and remedy' framework" contain clear recommendations on the parameters of a company's human rights policy commitment (A/HRC/17/31, guiding principle 16).

To build trust with stakeholders and address their concerns

Adopting a human rights policy implies a commitment by the company to a human rights approach, through engaging with stakeholders, having appropriate transparency, and a human rights focus. Such an approach is rarely required by existing policies. Policies that focus only on the impact on the company may be inconsistent with a human rights approach, and miss risks.

Making people part of the process by engaging with stakeholders can help companies build trust, increasingly important since the 2008 financial collapse. A human rights policy shows a commitment to being a responsible corporate citizen and provides interested stakeholders with an accessible means of gauging company performance. Many companies also find that external stakeholders become more willing to engage constructively with them when they have a human rights policy and human rights approach in place, and will usually talk with the company before considering adversarial action, e.g., a boycott or litigation.

To trigger in-house human rights learning, management capacity and leadership

The very process of developing a human rights policy can have positive managerial spin-offs. Many firms say that developing the policy helped:

- Raise awareness and understanding of the company's human rights impact across departments;
- Build leadership commitment around human rights so that there was political support inside the company for resources to be assigned to policy implementation; and
- Generate in-house managerial capacity, insights for future priorities and enthusiasm around the topic.

A human rights policy also provides managers with a public statement to frame responses to human rights questions.

CADBURY reported that “the inspirational language used throughout the document helped motivate employees and stakeholders to show their support for the new vision.”¹²

To demonstrate good business practice

It is an emerging good international business practice to have a human rights policy or position statement. Over 50 per cent of FTSE 100 Index listed companies have such a policy. By March 2011, the Business & Human Rights Resource Centre had identified some 270 companies worldwide with an explicit human rights policy position. Its findings, which record only publicly available policies that explicitly use the term human rights, reflect a growing trend among businesses from all continents making a public commitment to respect and support human rights. This trend is also evident in the pledge signed by more than 250 global CEOs to mark the sixtieth anniversary of the Universal Declaration of Human Rights in December 2008.¹³

12. Lauren Gula and Ye Jin, “Cadbury and human rights: finding the best approach”, in *Embedding Human Rights in Business Practices III* (United Nations Global Compact, 2009).

13. See, for details, www.unglobalcompact.org/issues/human_rights/CEO_Statement.html (accessed 15 April 2011).

KEY READINGS:

- *A Guide to Integrating Human Rights into Business Management*, © Business Leaders Initiative on Human Rights, the UN Global Compact and the Office of the UN High Commissioner for Human Rights, Second Edition 2010.
- *Human Rights - It is Your Business: A Business Case for Corporate Engagement*, © International Business Leaders Forum, 2005.
- *Protect, Respect and Remedy: A Framework for Business and Human Rights*, UN Special Representative on Business and Human Rights, UN Document A/HRC/8/5 7 April 2008.
- *A Human Rights Management Framework (Poster)*, © Business Leaders Initiative on Human Rights, International Business Leaders Forum, the UN Global Compact and the Office of the UN High Commissioner for Human Rights, 2010.
- *How to Do Business With Respect for Human Rights: A Guidance Tool for Companies*, © 2010, Global Compact Network Netherlands, Business & Human Rights Initiative.
- UN Global Compact Guidance: http://www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html

NO MORE REASONS NOT TO HAVE A POLICY

Companies are seeing that by having a human rights policy they can start to better identify risks and opportunities, and start to build in-house management capacity and demonstrate to stakeholders a sincere commitment to respect and support human rights. A BSR/GlobeScan poll of business leaders from 15 countries in late 2009 found that: "Climate change and human rights are the most significant priorities for business' sustainability efforts in the year ahead."¹⁴ Yet the number of firms with explicit human rights policies still represents only a fraction of the more than 7000 companies in over 130 countries that, as signatories to the United Nations Global Compact, have pledged to adhere to general principles on human rights and labour standards, or of the wider business community beyond.

Why have relatively few firms globally backed up their pledges on human rights with a policy or other due diligence measures? Historical obstacles can partly explain it. Back in 2007, human rights remained, in the words of the Special Representative of the Secretary-General on business and human rights, "mysterious for business" and companies did not fully know what was expected of them. Workplace issues aside, "human rights... were seen as the exclusive domain of States and no universally agreed framework" existed on the expectations of business.

However, an agreed international business and human rights framework now exists – the United Nations "Protect, Respect, Remedy" framework and the Guiding Principles on business and human rights for its implementation – applying to companies as well as States. In addition, there is a growing body of management guidance tools that help demystify human rights for business and map practical action. The business and human rights discourse has also become global and accessible to companies of all sizes and sectors; daily updates on the Business and Human Rights Resource Centre's website¹⁵ now appear in many languages, based on research from every continent. In short, there are fewer and fewer reasons not to develop a human rights policy.

14. Details of the BSR/Globescan State of Sustainable Business Poll survey can be found at: www.globescan.com/news_archives/bsr09 (accessed 15 April 2011).

15. www.business-humanrights.org.

4. Getting started

SUMMARY

- Developing a human rights policy can be a dynamic, though not always a predictable process. Do not expect perfection at first. Many firms update their policies as they gain experience.
- Assign senior management the responsibility to drive the process.
- Involve all business operations in policy development, implementation and reviews.
- Map existing company policies to identify human rights coverage and gaps.
- Involve cross-functional personnel (human resources, legal, procurement, security, etc.) in the process to build understanding, know-how and a sense of common purpose.
- Consult internal and relevant external stakeholders to identify and respond to their expectations.

The development of a human rights policy can be a dynamic process. It may start with the release of a short statement of intent — sometimes only a few paragraphs — that is revised and becomes more sophisticated as the company gets to grips with the issues. When first developing a human rights policy, managers should not feel under pressure to achieve perfection. Many best practice examples today took shape over several years and have undergone review.

BARCLAYS developed its first human rights policy in 2004 under the sponsorship of the Group Vice-Chairman. [It] was signed off by the company's Group Brand and Reputation Committee.¹⁶ The policy was revised in 2006 and again in 2008. "Policies and practices are updated to take account of new issues raised and growing awareness and familiarity within the business of the human rights impacts of our decisions. Policies are refreshed to keep them alive and topical and ensure they are communicated regularly."¹⁷

CADBURY published its first Human Rights and Ethical Trade Policy in 2000, but to ensure "all of its corporate policies were aligned with its existing human rights related policies, as well as increasing global expectations and a maturing understanding of how business can contribute positively to the realization of human rights"¹⁸ in 2008 it released an overarching human rights policy document – Cadbury's Approach to Human Rights.

Each of the steps in this section is important, but the precise order can vary. Some companies report that they did not initially have senior management buy-in and that the impetus for a policy came from below, with the mapping analysis and stakeholder feedback being instrumental in winning senior management support and having resources assigned for policy implementation.

No single sequence will suit every company. The timing of the policy's release is largely a matter of choice. Some companies will release an initial short statement to raise in-house

16. The Committee was comprised of senior management from the different Barclays businesses and central functions.

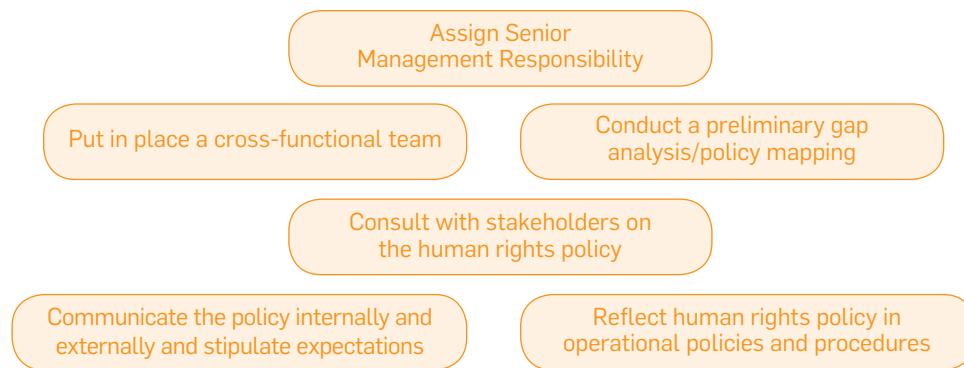
17. Philippa Birtwell, Head of Public Policy Research, Barclays.

18. Gula and Jin, "Cadbury and human rights: finding the best approach".

awareness or in response to stakeholder pressure, even before the other steps are complete; they may then follow up the initial statement with a longer policy document. Others release their human rights policy statement only when they are ready to integrate it into their management systems.

There can be overlap between the steps needed to draft a policy, to assess the company's human rights impact and to integrate them both in the company's management systems. Even during the first phase of developing a policy, some firms have found it helpful to do some basic mapping of the company's key human rights risks and likely priorities; this will need to be taken to another level during the phase of assessing impacts. Similarly, the stakeholder consultation needed to inform a human rights policy will be specific to that task; stakeholder consultation for an impact assessment will be of a different magnitude.

Key Steps



Assign senior management responsibility. The decision to draft a policy is often made by the chief executive or by one or more senior executives. Whoever instigates the project, a member of senior management will typically need to be appointed to lead the process, sign off on the final policy and assign resources needed for its implementation.

Involve all business operations. Many firms put in place a cross-functional team, committee or task force to help steer the policy through the company. Whether driven by a team or not, the company needs to capture in-house knowledge from across various business units and functions, consider varying legal jurisdictions, draft the policy and later communicate it internally and oversee training and reporting needs. In many cases, a team or committee will retain responsibility for the policy and any revisions in the medium to long term.

Making basic policy decisions within the overlapping frameworks of a company's existing standards and commercial management systems, while bearing in mind varying stakeholder expectations, can be demanding. There is a strong case to keep the process largely in-house rather than outsourcing it, to ensure that any lessons learned stay within the company and help build capacity over time.

Conduct a basic policy gap analysis/mapping exercise to determine which of the internationally recognized human rights are already covered by the company's existing policies and identify any relevant ones that are missing. This will help companies identify any priority issues.

Most companies find that longstanding corporate policies and codes of conduct already address human rights but that they do not use human rights language, e.g., policies on diversity, non-discrimination, bullying or harassment, health and safety, minimum-age provision or working hours.

Drafting a human rights policy will not necessarily highlight entirely new issues for the business, but can help express and link together existing positions in a different way, or shine a light on issues that might otherwise get overlooked.

The Guiding Principles state that companies have a responsibility to respect all human rights, not just a select few, and a human rights policy needs to reflect this fact. Operationally, while firms need to be alert to all potential human rights risks, “in practice, some rights will be more relevant than others in particular industries and circumstances and will be the focus of heightened company attention. However, situations may change, so broader periodic assessments are necessary to ensure that no significant issue is overlooked.”¹⁹ In addition, companies also need to take into account the important principle of international human rights law that human rights are interdependent and indivisible, and that they cannot choose to ignore negative impacts on some human rights, while respecting others.

RESOURCE TIP: When developing a policy, tools like *Human Rights Translated: A Business Reference Guide* can help managers become familiar with the full spectrum of human rights and identify which may have to be prioritized given the company’s unique geographical footprint, relationships, industry and operating context.

Consult with internal and external stakeholders. In addition to ensuring that the policy is informed by relevant internal and/or external expertise, the company should identify key stakeholders. This is to help ensure that the policy is fit for purpose and addresses expectations and concerns of potentially affected groups and other relevant stakeholders. For example, workers and their representative organizations are important stakeholders for labour-related human rights; and engagement with them is generally referred to as “social dialogue”. Relevant stakeholders can also include industry peers that have already adopted a policy, those behind sector-based multi-stakeholder initiatives who have experience of advising companies in a similar position and business associations. Companies should also consider involving socially responsible investors, clients, civil society experts, consumers, campaign groups, academics and community groups. Involving potential critics in the process will give a reality check. Some firms share an early draft of the policy with stakeholders to elicit feedback. Some of the stakeholders that provide input into the policy will become useful allies during later due diligence phases.

Communicate the policy internally and externally and stipulate expectations. No policy can be effective unless it is communicated to all relevant stakeholders. The policy should be publicly available. It needs to be disseminated to all employees to raise awareness and coupled with necessary training for relevant personnel. It should also be communicated actively to other parties, in particular business partners and affected stakeholders. The policy should simultaneously make clear what expectations the company has of its employees, business units, suppliers, subcontractors, franchisees, vendors, business partners and other relevant parties directly linked to its operations, products or services.

Reflect the human rights policy in operational policies and procedures. Companies should carefully consider how other policies and practices they have in place relate to the expressed commitment to respect human rights. Lack of coherence is a common risk; areas where discrepancies may arise include procurement and lobbying. If the human rights policy is not effectively disseminated, reflected in other policies and procedures, and embedded in management across all functions, neglect can quickly become reality even with all the best intentions in place. This issue also relates to the broader question of how to implement the company’s commitment to human rights, which is addressed in the final section of this Guide.

19. “Business and human rights: further steps toward the operationalization of the ‘protect, respect and remedy’ framework — Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises, John Ruggie” (A/HRC/14/27).

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- United Nations Global Compact Guidance: www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html (accessed 15 April 2011)

5. What are the key ingredients of a good human rights policy?

SUMMARY

All policies – whether stand-alone or integrated – should at a minimum comprise:

- An explicit commitment to respect all human rights which refers to international human rights standards, including the Universal Declaration of Human Rights.
- Provisions on labour/workplace rights.
- Provisions on non-labour rights. These will reflect human rights priorities and are likely to be particular to the company's industry/ areas of operations.

Few human rights policies are the same. In the absence of regulatory guidelines, many firms simply do what fits best within the company's existing policy commitments and internal processes. Common conventions however do exist, many of which were identified by the Special Representative on business and human rights and his team during the first mandate (2005-08),²⁰ and many good practice policy examples can be found in the policy bank available via the Business & Human Rights Resource Centre's website (www.business-humanrights.org).

A stand-alone versus an integrated human rights policy?

Human rights policies generally fall into two categories: stand-alone statements and policies that are integrated within the company's wider standards literature, e.g., employee codes of conduct; ethical sourcing standards; environment, health and safety guidelines; and social/ community investment commitments. Recently, there appears to be a gradual trend towards the integrated model (particularly among companies that have revised their policy approach at least once), but there are reasonable arguments in favour of either strategy and managers will need to determine for themselves which is better suited to their company.

"An advantage cited for free-standing procedures is that the relevant issues get the attention and professionalization they deserve. But a disadvantage may be that it is not connected to the rest of the company. In contrast, folding human rights due diligence into ongoing processes may put human rights on par with other key issues when managers evaluate potential projects, but the unique attributes of human rights may thereby get diminished." **Special Representative, April 2009**²¹

Stand-alone or free-standing policies have an advantage in external communication, making it easier for interested stakeholders to access information they require. Stand-alone statements are commonly employed by companies that are developing a human rights policy for the first time and allow the company to set out its intentions while it goes about building the requisite in-house knowledge and capacity to assess and manage its human rights impacts.

For companies with well-established codes of conduct on employment or ethical sourcing guidelines, etc., the integrated approach may be easier to deliver and avoid a multiplicity of standards that could generate internal confusion. Integrated policies can suggest that human rights considerations are more deeply engrained within the company's overall thinking, which can appeal to external stakeholders. Neither approach is right nor wrong.

20. See "Business recognition of human rights: Global patterns, regional and sectoral variations", addendum to the Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises (A/HRC/4/35/Add.4).

21. A/HRC/11/13.

A compromise option, which draws on both models, is to produce a readily accessible public human rights statement that cross-references established codes and policies, highlighting where the human rights-related elements can be found within existing management standards. This allows for effective communication and can sit well with current systems. It may, however, require new policy elements to be drawn up to address human rights issues that had previously gone unaddressed.

LANGUAGE TIP: *to gain buy-in within the company it is important to use practical, clear and concise language to explain the context and issues. Since much human rights language was originally designed for States, it can initially seem alien to business readers, so a company may need to make a few adaptations; stakeholder consultation can help ensure that both in-house and external stakeholders are comfortable with the end product. Some firms find that the inspirational language associated with human rights can actually be helpful in generating internal support.*

Human rights refer to basic standards of treatment to which all people are entitled. It is a broad concept, with economic, social, cultural, political and civil dimensions. For Ford, this means ensuring that our products, no matter where they are made, are manufactured under conditions that demonstrate respect for the people who make them. It also means respecting the rights of people living in the communities around our facilities, and those of our suppliers, who may be affected by these operations. *Ford Motor Company*

STEP 1: A commitment to respect international human rights standards

A human rights policy will need to include a statement of commitment to respect international human rights standards that makes explicit use of the words human rights. Some stakeholders view policies that fail to use the words human rights less favourably.²² A good human rights policy should at a minimum refer to:

- The Universal Declaration of Human Rights;
- The International Covenant on Civil and Political Rights;
- The International Covenant on Economic, Social and Cultural Rights; and
- The International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.²³

[The Universal Declaration of Human Rights and the two Covenants are commonly referred to collectively as the International Bill of Human Rights.]

Basic human rights are also further articulated in other international human rights instruments, which elaborate on the rights of individuals belonging to particularly vulnerable groups.²⁴

PROCESS TIP: *In some countries the language of human rights is considered sensitive. Where managers encounter this they may find it helpful to explain to colleagues that all 192 Governments of the United Nations have endorsed the United Nations Global Compact and its ten principles, including its human rights and labour principles.*²⁵

Reference to other relevant standards and voluntary initiatives

Some companies additionally refer to other relevant standards and voluntary initiatives, many of which have principles or codes that address a unique set of human rights challenges,

22. The Business & Human Rights Resource Centre's website links only to "statements by companies that explicitly refer to human rights" in its policy bank, see www.business-humanrights.org/Documents/Policies.

23. ILO considers its eight core conventions to be "fundamental" and they form the basis of the ILO 1998 Declaration of Fundamental Principles and Rights at Work. These eight conventions underpin the four United Nations Global Compact Labour Principles, see A/HRC/14/27 and www.unglobalcompact.org/labour.

24. <http://www2.ohchr.org/english/law/index.htm#core> (accessed 15 April 2011).

25. See General Assembly resolution 64/223 (para. 14).

for instance:

- The United Nations Global Compact;
- OECD Guidelines for Multinational Enterprises;
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;²⁶
- The Ethical Trading Initiative;
- The Fair Labour Association;
- The Global Network Initiative;
- The Kimberley Process;
- The Voluntary Principles on Security and Human Rights (Extractive Sector).

EXAMPLES OF CORPORATE POLICY STATEMENTS:

General statements of human rights commitment

*ABB is committed to developing an organizational culture which implements a policy of support for internationally recognized human rights and seeks to avoid complicity in human rights abuses. We support the principles contained within the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Core Conventions on Labour Standards. **ABB***

*Respect and protect the fundamental human rights, as stated in the Universal Declaration [of] Human Rights of the UN, as well as the dignity of the individuals working in its operations. **Codelco***

*[The Mitsubishi Corporation] embraces and complies with international conventions on human rights. These conventions include the Universal Declaration of Human Rights, Fundamental ILO Conventions and Voluntary Principles on Security and Human Rights. **Mitsubishi***

*[...] We respect international human rights principles aimed at promoting and protecting human rights, including the United Nations Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and we actively participate in the United Nations Global Compact. **The Coca-Cola Company***

Commitments to support human rights

Some companies also elaborate on the company's commitment to support human rights, i.e., to make a positive contribution to human rights. This is encouraged. Note, however, that the responsibility to respect is a baseline expectation, and a company cannot compensate for human rights harm by performing good deeds elsewhere.²⁷ So such commitments should complement, and not purport to substitute for, provisions implementing the company's responsibility to respect international human rights.

EXAMPLES OF CORPORATE POLICY STATEMENTS:

*We do encourage the creation of education, training or apprenticeship program[s] tied to formal education of young people. **Alcoa***

*We encourage our employees to fully utilize their potential by offering ample training and education opportunities. **Bayer***

An overview of the steps taken to develop the policy

Often accompanying the human rights policy or position statement is an outline by the company of the policy's scope and the steps it has taken to develop the policy/position statement. Overviews of this kind do not usually go into much detail but simply summarize some of the processes the company has undertaken to develop the policy, for example, if it appointed a cross-functional team, if any policy mapping exercise was carried out or how it consulted stakeholders.

26. Available from www.ilo.org/empent/Whatwedo/Publications/lang-en/docName--WCMS_094386/index.htm (accessed 15 April 2011).

27. "Clearly, companies may undertake additional commitments voluntarily or as a matter of philanthropy. [...] These are worthy endeavours that may contribute to the enjoyment of human rights. But what it is desirable for companies to do should not be confused with what is required [...], namely to respect human rights throughout its operations and relationships" (A/HRC/11/13).

EXAMPLES OF CORPORATE POLICY STATEMENTS:

Senior management leadership and cross-functional task forces

The importance ascribed to human rights by Eni... is also demonstrated by the fact that the CEO... has adhered to the initiative promoted by the High Commissioner for Human Rights as well as by the Global Compact document drafted at the time of the sixtieth anniversary of the Universal Declaration of Human Rights. **Eni**

[Yahoo!] has launched a Business & Human Rights Program[me]. This program[me] brings together a core team of professionals across the company, including Public Policy, Law Enforcement, Ethics & Compliance, International Legal, Public Affairs, Privacy, Paranoids [sic], IT, Yahoo! For Good, and the Operations teams, among others, to integrate human rights decision-making into all of our business operations. **Yahoo!**

Human rights mapping exercises

This commitment follows an expert third-party review of our business to understand the extent to which ANZ policies and practices are meeting the requirements of these standards, with a particular focus on human rights. The review assessed ANZ's performance against guidelines set out in global human rights instruments [...]. It found that ANZ complied with, and in many cases exceeds, most criteria in Australia and New Zealand [...]. The review also found more work was required to understand and mitigate human rights risks in our supply chain, our lending decisions in our institutional business and our operations and partnerships in Asia, Pacific and India. [...]. **ANZ Bank**

Stakeholder consultation

We listen to the views of our stakeholders. For customers, shareholders, employees and suppliers we have formal ways of doing this [including] specific mechanisms [...] to encourage open feedback. We have engaged our employees [...] through our representation committees, known as Business Involvement Groups and carried out an anonymous survey to gauge their views. [...] During the last year, we carried out detailed research with our customers. [...] We also had regular discussions with Government, regulators, community partners, trade associations as well as environmental, human rights and animal welfare groups [...]. CSR [corporate social responsibility] is constantly evolving as expectations change and new issues emerge. This means that whilst our approach to CSR is underpinned by a core set of values, it also has to be adaptable and flexible.

Marks & Spencer

Other issues related to scope that the policy may address

EXAMPLES OF CORPORATE POLICY STATEMENTS:

Setting boundaries and human rights priorities

One of the most significant and multifaceted challenges facing AngloGold Ashanti is that of artisanal and small-scale mining (ASM). It is a material issue at the company's operations in Ghana, Guinea, [the United Republic of] Tanzania and to a lesser extent Mali as well as the exploration sites in Colombia and the Democratic Republic of [the] Congo. **AngloGold Ashanti**

A particular challenge for any business of our size and scale is drawing the boundaries of responsibility. We do not believe that it is appropriate for AstraZeneca to promote proactively individual rights and freedoms more widely in society than described above, but we believe that we can, and do, influence others through leading by example. [...] The 'Right to Health' debate in some quarters allocates accountabilities to both Governments and pharmaceutical companies. We believe that in this context, it is Governments who are accountable for providing a robust health-care infrastructure for their populations [...]. AstraZeneca nevertheless recognizes that we have a part to play [...]. **AstraZeneca**

We believe our main responsibilities lie in a number of critical areas: employee rights, the right to access finance for vulnerable and disadvantaged members of the community and the risk of human rights violations within our supply chain. **The Westpac Group**

Legal jurisdiction issues

We are committed to comply with effective law. This also applies if, in some countries, the resources or the This Statement draws together the policies, principles and standards to be adopted by all parts of the Barclays' Group.... Where local legislation imposes more rigorous requirements, Group operations in those

countries must ensure that they comply with such requirements while having regard to the content of this Statement. **Barclays**

We are committed to comply with effective law. This also applies if, in some countries, the resources or the political will to implement and enforce applicable law are lacking...

- As a responsible employer, we in the BASF Group strictly uphold the ILO core labour standards as long as this is not explicitly prohibited by applicable law.
- If the implementation of international conventions is restricted by national law, we develop innovative approaches to adhere in our actions to the principles underlying the internationally recognized standards. For example, we have developed suitable solutions for a dialogue in locations where the employees' right to elect employee representatives is restricted. In these cases we discuss with employee representatives topics of common interest at the regional level [...]. **BASF**

Applying the policy:

[W]e recognize that achieving these standards presents unique challenges in different parts of the world. Going forward together with our suppliers, our intention is to drive towards the adoption of these, or comparable standards by our suppliers for their own operations, and those of their suppliers in turn. **Diageo**

With Our Direct Business Partners: Incorporating appropriate principles of The Spirit & The Letter into contracts with suppliers, business partners and distributors. Monitoring adherence by key suppliers in emerging markets to environmental, health and safety standards, prohibitions against forced and child labour, and local wage and hour laws. Evaluating human rights issues involving our direct business partners — particularly in emerging markets — and considering practical responses within the relevant context. Advancing application of the ILO Declaration through engagement and collaboration. **GE**

[...] We seek to establish relationships with entities that share the same principles and values as Vale. We also promote human rights awareness and respect along our value chain, including the adoption of legal contractual clauses. In the event of disrespect to human rights, duly proven by government authorities and mechanisms provided by legislation, we notify the supplier/partner or the customer so they may adopt corrective measures and, in cases in which such measures are not taken, we then are entitled to rescind the respective commercial relationship. **Vale**

STEP 2: Provisions on human rights for workers

Human rights policies/position statements include provisions on employment or workplace rights. For bigger companies these issues may already be covered under existing employee codes of conduct; the policy-mapping exercise referred to in the “Getting Started” section above should help identify any gaps.

The level of detail a company goes into will vary. Some offer a short sentence on key labour rights issues that outline their commitment. Others refer stakeholders to company literature, such as codes of conduct, where additional detail is to be found. Some companies publicly disclose more than others.

More detailed provisions may be needed for some rights if the firm operates in countries where a particular right is known to be at special risk, or if the industry faces a unique rights challenge. For example, retail firms with operations where child labour is prevalent may have more detailed child labour provisions than firms for whom the risk of child labour is low.

Key human rights-related areas regularly covered in human rights policy documentation include:

- Non-discrimination
- Equality
- Child labour/minimum age workers/worst forms of child labour
- Forced/bonded/compulsory labour
- Freedom of association/collective bargaining
- Health and safety
- Working conditions - including working hours
- Fair wages/compensation
- No harsh or degrading treatment/harassment
- Accessibility for persons with disabilities
- Maternity protection
- Right to strike

RESOURCE TIP: *The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy provides guidance to companies on human rights at work and is a valuable resource for companies developing a human rights policy. ILO has developed a resource platform specifically for business: www.ilo.org/business. Specific questions can be submitted via assistance@ilo.org.*

EXAMPLES OF CORPORATE POLICY STATEMENTS:

Non-discrimination

The Fortune Global 500 survey and report on business recognition of human rights²⁸ into over 300 companies conducted by the United Nations Special Representative during his first mandate both found that over 90 per cent of companies already had policies addressing discrimination.

We respect each individual's human rights and will not discriminate on the basis of race, colour, religion, creed, sex, age, social status, family origin, physical or mental disability or sexual orientation, nor will we commit other violations of human rights. Such discrimination will not be tolerated. We will be resolute in upholding human rights in everything we do and will not tolerate such discrimination in others. Ignorance and inaction do not constitute excuses for discrimination. **Fujitsu**

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on race, colour, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, indigenous status, disability, age or other status of individuals unrelated to the individual's ability to perform work. **National Grid**

Child labour

As per Chilean law and conventions ratified by Chile, children under 18 are not allowed to work in operations or jobs requiring excessive force, nor in activities that may be hazardous to their health or safety. Those under 21 years require pre-employment medical examinations to work in underground mines. [...] Codelco adheres to the principles established in the Convention on the Rights of the Child of the United Nations, and in Convention 138 of the ILO. **Codelco**

Child labour is not used. There is no recruitment of child labour. If any incidence of child labour is identified in the supplier's industry and region, the supplier shall initiate, or participate in, a programme to transfer any children involved in child labour into quality education until they are no longer children.

No one under eighteen years old is employed at night or in hazardous work or conditions.

In this Code, "child" means anyone under fifteen years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply; and "child labour" means any work by a child or young person, unless it is considered acceptable under the ILO Minimum Age Convention 1973 (C138). **Pentland Group plc**

28. A/HRC/4/35/Add.4.

Forced/bonded labour

Freely chosen employment: Ensure no forced, bonded or involuntary prison labour is used in the production of HP products or services. Ensure that the overall terms of employment are voluntary. **HP**

Business partners must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views. **Adidas**

Freedom of association/collective bargaining

The Company respects our employees' right to join, form or not to join a labour union without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we are committed to establishing a constructive dialogue with their freely chosen representatives. The Company is committed to bargaining in good faith with such representatives. **Coca-Cola Company**

We are committed to an open and constructive dialogue with our employees and, if applicable, with their representatives. Our employees are free to join organizations of their choice that represent them consistent with local organizing laws. These organizations may if recognized as the appropriate agent engage in collective bargaining according to the applicable legal regulations. Employees who act as representatives are neither disadvantaged nor favoured in any way. In locations where employees have decided not to appoint representatives, we promote direct and open communication between employees and management. **Adidas**

All workers shall have the right to form and join trade unions. (ILO Convention 87) Where UNI affiliates represent the workers employed in companies owned by Telefónica – and its subsidiaries – the company shall recognize the right of unions to represent said workers in:

- (a) Collective bargaining. (ILO Convention 98) On their part unions will agree to negotiate in good faith, are aware of the necessity to find the best practices which guarantee the development of the companies and their viability, which eventually is the best guarantee of the employment of the workers.*
- (b) Any procedures settlement of disputes.*
- (c) Negotiations and consultations in all matters affecting jobs and training.*
- (d) Where no trade union exists, the company shall adopt a neutral view and shall not prevent workers from organizing. It shall also respect the right of trade unions to organize employees.*

UNI-Telefónica Code of conduct

Health and safety

Balfour Beatty regards high standards of safety and health as a cornerstone of a successful business. You have a clear duty to take every reasonable precaution to maintain a safe and healthy working environment in order to avoid the possibility of injuring yourself or putting at risk those with whom you work and members of the public. Strict adherence to the Group's Health & Safety Policy is expected of every employee. **Balfour Beatty**

We believe that all injuries and occupational illnesses, as well as safety and environmental incidents are preventable, and our goal for all of them is zero. We will promote off-the-job safety for our employees. Our commitment is set forth in the DuPont Safety, Health, and Environmental Commitment. **DuPont**

Working conditions, including hours

We will treat all employees fairly and honestly regardless of where they work. All staff will have a written contract of employment, with agreed terms and conditions, including notice periods on both sides. All staff are entitled to reasonable rest breaks, access to toilets, rest facilities and portable water at their place of work, and holiday leave in accordance with the legislation of the country where they work. All employees are provided with appropriate job skills training. **Tesco**

Based on the Ethical Trading Initiative Base Code [...] working hours comply with national laws and benchmark industry standards, whichever affords greater protection; in any event, workers are not on a regular basis required to work in excess of 48 hours per week and are provided with at least one day off for every 7-day period on average. Overtime is voluntary, does not exceed 12 hours per week, is not [to] be demanded on a regular basis and is always being compensated at a premium rate. **Monsoon Accessorize**

Fair wages/compensation

To give workers remuneration which satisfies their basic needs and those of the members of their family who are directly dependent on them. **Carrefour**

We will only do business with vendors who pay employees, as a floor, at least the minimum wage required by local law or the prevailing industry wage - when available, whichever is higher, and who provide all legally mandated benefits. Employees shall be compensated for overtime hours at the rate established by law in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate. **Phillips-Van Heusen**

No harsh or inhuman treatment/Harassment

The IKEA supplier shall not engage in or support the use of corporal punishment, threats of violence or other forms of mental or physical coercion. The IKEA supplier shall not make use of public warning and punishment systems. [...] The IKEA supplier shall not engage, support or allow any form of harassment or abuse in the workplace. [...] Harassment can be any offensive act, comment or display that humiliates, insults or causes embarrassment, or any act of intimidation or threat [...]. **IKEA**

Employees of a Tata company shall be treated with dignity and in accordance with the Tata policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological.

Tata Group

[The Company is] ... opposed to violent behavior, sexual harassment or power harassment. **CNOOC Ltd**

KEY READINGS

- The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- The Labour Principles of the United Nations Global Compact: A Guide for Business, ILO-United Nations Global Compact, 2008 (reprint 2010)
- Rules of the Game. A brief introduction to International Labour Standards, ILO, Department of International Labour Standards, Geneva, 2009 (rev. ed.)
- ILO Helpdesk for Business on international labour standards (www.ilo.org/business)
- Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework (A/HRC/17/31)

STEP 3: Provisions on non-labour related rights issues

Each company will need to determine for itself which given human rights may need to be prioritized — whether because they pose unique challenges to the company’s industry and its relationships or because the company does business in one or more high-risk locations — and whether these merit a specific policy provision. At the same time, it is important to note that even if the particular operating conditions of a company mean that some rights are at greater risks than others, the responsibility to respect applies to all internationally recognized human rights. Thus, while not all human rights issues may merit specific policy provisions at a given point in time, the policy should nevertheless stress the company’s commitment to respect all human rights. To raise awareness internally that human rights risks may change as situations evolve, the policy should also stipulate that it will be subject to review if proven inadequate through the company’s ongoing human rights due diligence process.

Companies do not always use human rights language to describe policy provisions that address non-labour rights issues, for example company security arrangements may impact on the rights to life and security of persons, but will normally be listed by the company as a policy on security arrangements, rather than a policy on the right to life.

RESOURCE TIP: The publication *Human Rights Translated: A Business Reference Guide* is also a recommended resource.

EXAMPLES OF CORPORATE POLICY STATEMENTS:

Security

It is the policy of Cerrejón to maintain its relationship with Private Security Companies and the legally constituted State Security Forces, within the highest standards or practices and with the greatest transparency possible, thus developing corporate behaviour in accordance with the Voluntary Principles; for this reason it trains them and keeps them abreast of matters of Human Rights [...]. **Cerrejón**

We only allow armed security when required by law or when considered that there is no other way to manage security risks. All armed guards must meet our standards, based on UN guidelines and conventions on the use of force and the Voluntary Principles on Security and Human Rights. Armed guards must first try to resolve a security incident without using force. If this fails then they should only use the minimum force needed and offer help to anyone – including offenders – injured as a result. **Shell**

Indigenous People's/Traditional/Land rights

[We] have regard to the principles of ILO Convention No. 169 on Indigenous and Tribal Peoples, wherever our operations may impact the human rights of indigenous peoples. **BG Group**

The Company recogni[z]es and respects the importance of indigenous peoples' culture, heritage and traditional rights and supports the identification, recording, management and protection of indigenous cultural heritage sites. **BHP Billiton**

Clinical trials

We put safeguards in place to ensure that the human rights of people taking part in our clinical research are protected. This includes the informed consent process and procedures to protect patient privacy. We are especially careful to protect the rights of any children involved in our clinical trials. **GSK**

Engaging with Government Officials/Advocacy

Yahoo! has been and will continue working to secure the release of certain political dissidents through ongoing discussions with high-ranking [United States] and Chinese officials, congressional leaders, human rights groups, and the State Department. **Yahoo!**

We reserve the right to express to Governments our position concerning our operations, employees and shareholders and our belief in the importance of respecting human rights. **Total**

Migrant workers

Migrant workers shall have exactly the same entitlements as local employees. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the employee to submit his/her identification documents. Deposits are not allowed. Workers employed through an agent or contractor are the responsibility of H&M's supplier and other business partners, and are thus covered by this Code. **H&M**

Sexual exploitation of children

Marriott condemns all forms of exploitation of children. The Company does not recruit child labor, and supports the elimination of exploitative child labor. Marriott also supports laws duly enacted to prevent and punish the crime of sexual exploitation of children. Marriott will work to raise awareness concerning such exploitation, and will cooperate with law enforcement authorities to address any such instances of exploitation of which the Company becomes aware.

Marriott has a long history of supporting program[s] and partnerships that help at-risk young people and their families prepare for and find meaningful employment [and] program[s] that help children break out of the cycle of poverty that makes them and their families vulnerable. **Marriott**

KEY READINGS

- Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework (A/HRC/17/31)
- Business & Human Rights Resource Centre website: www.business-humanrights.org/Documents/Policies

6. Next Steps - Path to Implementation

Developing a human rights policy is only the first step for a company to know and show that it respects human rights. Embedding it throughout the relevant processes and procedures of the company is necessary to ensure its effective implementation.

A properly embedded human rights policy will guide the human rights due diligence process that is necessary for a company to know and show that it respects human rights. A human rights due diligence process comprises the following elements:

- (a) An assessment of the company's human rights impacts;
- (b) Integration of the assessment's findings across relevant internal functions and processes in order to ensure that actual or potential adverse human rights impacts are effectively prevented and mitigated;
- (c) Tracking the effectiveness of the response to actual or potential adverse human rights impacts;
- (d) Being prepared to communicate how human rights impacts are addressed; and
- (e) Providing for or cooperating in the remediation of negative human rights impacts the company has caused or contributed to.

Due diligence steps such as these will usually also yield information about the opportunities a company may have to support human rights.

These and the other management actions business can take to respect and support human rights are reflected in the poster: A Human Rights Management Framework. The key readings boxes in this Guide flag other publications that can help.

The key is to ensure that the human rights policy becomes more than just a piece of paper that no one looks at. Having a policy and doing nothing to implement it can potentially be worse than having no policy at all. Failing to act, or acting inadequately, in contradiction with a policy, can open a company to criticism from a wide variety of sources, not just human rights NGOs but also those who look at the integrity of its corporate governance. Implementation is therefore critical.

Key points to consider when moving towards implementation of the human rights policy

Assessing impacts

- Undertaking a human rights baseline study for the business, including country-risk analyses.
- Undertaking a human rights impact assessment at the pre-feasibility stage of any major project with the potential to negatively impact human rights, for new operations, and on an ongoing basis, as human rights risks may change over time. Some operating contexts, such as conflict-affected areas, will require additional attention. As part of their human rights approach, companies need to consult potentially affected groups and other stakeholders in a meaningful way.

Integrating human rights throughout the company

- Integrating and acting on the findings of the impact assessment.
- Engaging in ongoing stakeholder consultation to build relationships across the company and with external groups.
- Reviewing company training to include human rights criteria as appropriate and identifying target groups that may need additional learning support.
- Embedding human rights into management systems, including responsibilities in job descriptions and performance appraisals.
- Integrating human rights into the company's internal and external communications, e.g.,

Intranet or Web 2.0 systems, to ensure relevant stakeholders understand the policy and business implications of not adhering to it or failing to act on impact assessment findings.

Tracking performance

- Identifying indicators for measuring human rights performance, developing and implementing systems for acquiring qualitative and quantitative data, drawing on both internal and external feedback, including from affected stakeholders, and reviewing the findings to inform future strategy.

Communicating on how impacts are addressed

- Communicating on commitments, targets and performance (through the Global Compact Communication on Progress for United Nations Global Compact participants). The communication should be of a form and frequency that reflect the enterprise's human rights impacts and that are accessible to its intended audiences.
- The communication should provide information that is sufficient to evaluate the adequacy of an enterprise's response to the particular human rights impact.

Remediation

- If a company finds that it has caused or contributed to negative human rights impacts, it is expected that it engages actively in remediation.
- The company should provide for or cooperate in the remediation of such impacts through legitimate mechanisms.
- Establishing or participating in operational-level grievance mechanisms can be an effective means of providing access to remedy for individuals and communities that may be adversely impacted by the company's activities if these mechanisms meet certain criteria.²⁹

KEY READINGS

- Guiding Principles on Business and Human rights: Implementing the United Nations "Protect, Respect and Remedy" Framework (A/HRC/17/31).
- *A Guide to Integrating Human Rights into Business Management*, BLIHR, United Nations Global Compact and OHCHR, 2nd ed., 2010.
- *A Human Rights Management Framework (Poster)*, BLIHR, International Business Leaders Forum, United Nations Global Compact and OHCHR, 2010.
- *Human Rights Compliance Assessment*, Danish Institute for Human Rights (online).
- *Guide to Human Rights Impact Assessment and Management*, International Business Leaders Forum, International Finance Corporation and United Nations Global Compact, <http://guidetohria.org/guide>.
- *Human Rights and Business Dilemmas Forum*: <http://human-rights.unglobalcompact.org>.
- United Nations Global Compact Guidance: www.unglobalcompact.org/Issues/human_rights/Tools_and_Guidance_Materials.html.

29. See A/HRC/17/31, guiding principles 29-31.

HUMAN RIGHTS POLICIES FOR SMALL AND MEDIUM-SIZED ENTERPRISES

The universal baseline expectation that companies should respect human rights applies to all companies regardless of size. Many of the legal pressures and some, though not all, of the commercial drivers for respecting human rights apply equally to big and small companies. For companies to show respect for human rights requires due diligence, of which a human rights policy is only the first step. How companies go about this in practice will depend considerably on the resources available, as well as the level of the company's risk of negatively impacting human rights.

It is not unusual for multinational companies to have formal policies and procedures to ensure that non-financial issues like human rights are properly addressed company-wide, including across functions and business units, whereas such policies are rare or non-existent among small to medium-sized enterprises (SMEs). Human rights, however, are a new consideration even for many large companies and in the absence of a uniform definition or regulation governing human rights policies, SMEs and multinationals alike can draw upon examples in this Guide to help develop a policy or position statement that is best suited to their own circumstances.

SMEs are reminded that many larger firms' human rights policies often started as statements a few paragraphs long; this may be the best model. In developing a human rights policy specific to their needs and situation, SMEs could check that their human rights policy/position statement shows that they have:

- Given overall responsibility for the policy to a senior figure in the company;
- Taken steps to understand the human rights issues that might be relevant (human rights focus);
- Involved colleagues from all departments or teams; and
- Talked with and listened to their stakeholders, possibly including those that may be affected by company activities.

And that the human rights policy or statement at a minimum has a sentence that is:

- An explicit commitment by the company to respecting human rights that refers to international human rights standards (including the Universal Declaration of Human Rights).

The Ten Principles of the United Nations Global Compact

HUMAN RIGHTS

- Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 make sure that they are not complicit in human rights abuses.

LABOUR

- Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 the elimination of all forms of forced and compulsory labour;
- Principle 5 the effective abolition of child labour; and
- Principle 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- Principle 7 Businesses should support a precautionary approach to environmental challenges;
- Principle 8 undertake initiatives to promote greater environmental responsibility; and
- Principle 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

